

**DEPARTMENTS OF COMMERCE, JUSTICE, AND  
STATE, THE JUDICIARY, AND RELATED  
AGENCIES APPROPRIATIONS FOR FISCAL  
YEAR 2005**

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**THURSDAY, MARCH 25, 2004**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 10:01 a.m., in room S-146, the Capitol,  
Hon. Judd Gregg (chairman) presiding.

Present: Senators Gregg, Stevens, Domenici, Hollings, Kohl, and  
Byrd.

**DEPARTMENT OF THE STATE**

**OFFICE OF THE SECRETARY**

**STATEMENT OF COLIN L. POWELL, SECRETARY OF STATE**

Senator GREGG. First off, we want to thank the Secretary for coming before the subcommittee today. He certainly had a hectic schedule, just back from Spain and we very much appreciate your time, Mr. Secretary, in light of all the responsibilities you have and especially in light of your extraordinary travel schedule. You have got to be a little tired and we appreciate that, but we do thank you for taking time to come in.

This subcommittee has a lot of involvement obviously in the State Department. We have tried and we are going to continue to try to be supportive of the State Department. There are a lot of issues I know we want to get to so I am going to reserve an opening statement so we can get your statement and then move to questions. But I will obviously yield to Senator Hollings for any statement he wishes to make.

Senator HOLLINGS. I think that is the best approach and I yield also.

Senator GREGG. Then we will start right out unless, Senator Byrd, did you want to say anything?

Senator BYRD. I will follow the same standard here.

Secretary POWELL. I am almost reluctant to say anything after that.

Senator GREGG. We came to hear you.

Secretary POWELL. Mr. Chairman, I thank you and Senator Hollings, and Senator Byrd. I am just back from Madrid. I flew overnight the night before last, attended a very moving memorial service for the Spaniards who were killed in the terrible tragedy of

3/11, had meetings with outgoing Prime Minister Aznar and with the new incoming Prime Minister, Mr. Zapatero. Although we have some disagreements with Mr. Zapatero on Iraq and we will work through that, one thing there is no disagreement on is that the United States and Spain will be united in this fight against terrorism. Spain has been fighting terrorism long before 3/11 or 9/11. They have had to face the ETA terrorists, so I am confident that we will find ways to cooperate in this battle against terrorism.

It is always a pleasure to appear before this subcommittee. This is not like the old army story like we are always glad to see the inspector general. But in this case really it is true because, Mr. Chairman, you and the members of the committee have been supportive of what we have been trying to do in the Department for the last 3 years. I remember during my transition pre-confirmation period when we talked about some of the problems that you saw in the Department with respect to management, with respect to construction of our Embassies and things of that nature. I have tried in the 3 years I have been Secretary to be responsive to your concerns.

Before I go further, let me take this opportunity to especially acknowledge Senator Hollings, since this may well be the last chance we will have to see each other in this particular capacity, to thank you for your support, your prodding, and your friendship for so many years, Dr. Hollings.

Senator HOLLINGS. Thank you. He and I got honorary degrees at Tuskegee together. That is Dr. Powell.

Senator GREGG. Very appropriate.

Senator HOLLINGS. We had Cappy James and the Air Force down there. The Tuskegee flyers trained in South Carolina.

Secretary POWELL. Tuskegee Airmen.

Mr. Chairman and members of the subcommittee, I thank you for the opportunity to testify on the State Department's portion of the President's budget request for fiscal year 2005. I have a longer statement I would submit for the record, Mr. Chairman, with your permission.

Senator GREGG. Absolutely.

Secretary POWELL. While I know that this subcommittee's specific oversight deals with that part of the request that involves State Department operations, I want to give you as well an overview of what those operations will support in the way of foreign policy. So let me give you the overall budget picture first and then touch on foreign operations. Finally I will deal with the top priorities of our specific funding request before you.

The 2005 international affairs budget for the Department of State, USAID, and other foreign affairs agencies totals \$31.5 billion broken down as follows, foreign operations \$21.3 billion, State operations of principal interest to this subcommittee, \$8.4 billion, Public Law 480, food aid, \$1.2 billion, international broadcasting \$569 million and the Institute of Peace \$22 million.

President Bush's top foreign policy priority reflected in this budget is winning the war on terrorism. Winning on the battlefield with our superb military forces is just one step in this effort. To eradicate terrorism altogether, the United States must help create stable governments and nations that once supported terrorism like

Iraq and Afghanistan. I visited both of those places last week and I hope in the course of our questioning I can say a word about what I saw.

We must go after terrorist support mechanisms as well as the terrorists themselves, and we must help alleviate conditions in the world that enable terrorists to bring in new recruits. To these ends, the 2005 budget will support our foreign affairs agencies as they focus on the reconstruction of Iraq and Afghanistan. We will continue to support our coalition partners to further our counter-terrorism, law enforcement and intelligence cooperation, and we will continue to expand democracy and help generate prosperity, especially in the Middle East.

Forty-eight percent of the President's foreign affairs budget supports the war on terrorism. For example, \$1.2 billion supports Afghanistan reconstruction, security and democracy building in 2005. More than \$5.7 billion provides assistance to countries around the world that have joined us in the war on terrorism. And \$3.5 billion indirectly supports our war on terrorism by strengthening our ability to respond to emergency and conflict situations. And finally, \$190 million is aimed at expanding democracy in the greater Middle East; crucial if we are to attack successfully the motivation to terrorism.

Two of the greatest challenges facing us today are the reconstruction of Iraq and the reconstruction of Afghanistan. With respect to Iraq, the Coalition Provisional Authority and the Iraqi Governing Council, in my judgment have made great strides in the areas of security, economic stability and growth, and democratization. Iraqi security forces are now in the forefront of our security efforts, and you can see that they are taking casualties as they go about securing their country for their people.

In addition, the CPA has established a new Iraqi army, issued a new currency, and refurbished schools, hospitals, the sanitary infrastructure, working on the oil infrastructure. So much good work is going on with respect to reconstruction that it is unfortunate that the continuing security situation we face tends to drown out or put a black cloud over the good work that is being done.

But much work remains to be done. Working with our coalition partners we will continue to train Iraqi police, border guards, the civil defense corps and the army in order to ensure the country's security. At the same time, as I noted, we are going to work on these critical infrastructure needs.

But there is progress taking place. The definitive example of that progress, on March 8 the Iraqi Governing Council adopted a transitional administrative law, which is essentially an interim constitution for Iraq. This was a remarkable milestone. You will recall that Friday when we thought it was going to be signed and suddenly there was a signing table, 25 pens and nobody showed up because there was a problem over it. And over the weekend that problem was solved, through argument, through debate, through democratic process; something that they had never had experience with before. But it happened.

This administrative law recognizes freedom of religion and puts the judiciary on an independent track. It puts the military firmly under civilian control. It gives women the access to civil society and

the political life of the country. It is a huge step for the Iraqi people and we should not sell short what an accomplishment this is.

The U.N. Secretary General's special advisor Mr. Brahimi, Ambassador Brahimi, has been invited back to Iraq by the Governing Council in order to work with the Council and the CPA to put in place a revised interim government that will take sovereignty from the CPA on the first of July. In my visit with Ambassador Bremer last week we talked about the transition from the CPA to a very large State Department chief of mission operation, a very large Embassy. Already I have four Ambassadors over there working with Ambassador Bremer and trying to make this transition as smooth as possible.

Mr. Chairman, Afghanistan is another high priority and I was there last week. We are committed to helping build a stable and democratic Afghanistan. They had a very fine constitutional process at the end of last year where they adopted a constitution for this country that just a few years ago was a basket case, a despotic basket case. Now it has a constitution, and as you saw in press reporting this morning, President Karzai has scheduled elections for early September for both a new president as well as for a legislature.

Still there are problems along the Afghan-Pakistan border, still problems out in Herat but as I drove through Kabul last week you could see buildings going up, you could see women who felt secure enough in their life now to remove the burkha; about 50 percent covered and 50 percent not covered. I visited a registration place in a school where women were registering to vote, filling out the forms, stepping forward, getting their registration card and proudly showing it to me that they are now part of the life of the new Afghanistan. So we have accomplished a lot in Afghanistan, but here too there is much more work to do.

I was watching some footage yesterday that we are going to use at the Donors' Conference next week that shows some of our reconstruction efforts in Afghanistan, and one shot on this video is of the new blacktop road, complete with markers that goes from Kabul to Kandahar. We will continue that road around to Herat, in working with our Saudi partners, our Japanese partners, and provide a beltway for this country. But it is more than just a beltway. It is a road that will link the country together, give the central government the ability to control the regions a little more effectively. It will contribute to the economic life of the country. But more importantly, it will also link Afghanistan with the other nations of central Asia.

Pakistan is looking at this and is starting to readjust its infrastructure, its port activities, to take into account that there will be peace in this part of the world as we go into the years ahead. The old silk route of 2,000 years ago is going to be recreated, except this time it will be with hard roads and ports, with an information infrastructure, and hope eventually with pipelines that criss-cross this area and move oil and natural gas from central Asia to the east and not just to the west.

So the opportunities here are enormous. We have to deal with security. We have got to get rid of those remaining Taliban and al Qaeda elements. But we should not sell short not only our accom-

plishments of the last couple of years, but the potential that lies ahead for a region, the Caucuses, central Asia, south Asia all being linked in a new hub of transportation and trade as long as we can keep the peace and security, and that is what we are committed to.

The 2005 budget, as I said, includes \$1.2 billion in assistance for Afghanistan, which is on top of the \$2.2 billion in 2004; \$1.2 billion already out there and I will make a public announcement of the other \$1 billion at the Afghan Donors' Conference in Berlin next week.

As important as waging the war on terrorism is to America, we have other priorities in our foreign affairs budget; HIV/AIDS, 8,000 people a day are dying of this terrible disease. It is extremely difficult to make economic improvements in a country if you are not working on these kinds of problems, and the President is with his HIV/AIDS program. Over the past year we have worked with Congress to pass legislation laying the groundwork for this fight.

In marking our progress, earlier this month, Ambassador Tobias who heads the program for us, Secretary Thompson, Administrator Natsios of AID, and I rolled out the strategy for the HIV/AIDS plan and announced the first dispensation of dollars for these programs; \$350 million in contracts will roll out to some of the NGOs and PDOs. As a crucial next step, the 2005 budget request expands on the President's plan with \$2.8 billion to combat AIDS in the most affected countries in Africa and the Caribbean. Together, the Department of State, USAID, and the Department of Health and Human Services, will use the significantly increased resources quickly and effectively to achieve the President's ambitious goals in the fight against global AIDS.

Just as a digression, we are also seeing polio back in certain parts of Africa, and this has to be part of our health efforts as well, coming out of the Department of State and coming out of USAID.

Of course, there are other dimensions of economic success in Africa, and the program that we are pushing forward and you know a great deal about, the Millennium Challenge Corporation. The corporation has now been formed. I am the chairman of the board. We have sent a nominee to the Senate to be the CEO of this board, Mr. Paul Applegarth. The Millennium Challenge Corporation will fund infrastructure and other similar proposals to those countries that are committed to democracy, the free enterprise system, individual rights of men and women, the rule of law, and the end of corruption. We have other foreign assistance accounts, but the millennium challenge account will invest in those countries that are moving in the right direction.

Let me turn now, gentlemen, to the part of the budget request that is of particular interest to you, State operations. As you recall, we created the diplomatic readiness initiative in 2002 to address staffing and training gaps that had become very averse to the conduct of America's diplomacy. The goal of the diplomatic readiness initiative was to hire 1,158 new foreign and civil service employees over a 3-year period. These new hires, the first over-attrition hires in years, would allow us to provide training opportunities for our people and greatly improve the Department's ability to respond to

crises, to ramp up when we needed to, such as we have had to do in Iraq and Afghanistan.

I cannot say strong enough what a dynamic impact this program has had on the Department. The Department sees that its leadership, but more importantly its leadership in Congress cares about the Department. You are willing to invest in the readiness of our people, bring in new people. I got a report from the Under Secretary for Management yesterday that close to 30,000 people have already signed up for the next giving of the foreign service exam. We have been averaging 50,000 people a year for the last 2 years wanting to become part of this new team, which I think has been energized by the support we have been receiving from the Congress and for that I am very appreciative.

We also created new mandatory leadership and management training. It is great for our people to learn how to speak different languages and learn all about foreign policy and to be experts and write papers. But they also have to be able to lead and manage people in these very, very complicated missions that we have around the world. So beginning from the first day that you come into the foreign service and go to the junior officers' course, the entry level course, you will receive leadership and management training and will continue throughout your whole career. If this bears a marked similarity to the way they do it in the military, it is not coincidental or accidental. We are essentially adopting what I learned in the military and bringing it over to the foreign service and to the civil service. We are giving leadership training to our senior civil service employees as well.

The other thing I am very proud of, of course, is the information technology investment that we have made with your support. It has paid off. Every desk in the State Department, everywhere in the State Department now has an Internet capable computer sitting there. We did it in-house for the most part.

Senator GREGG. And it worked.

Secretary POWELL. It works.

Senator GREGG. Not like some of our other agencies.

Secretary POWELL. Frankly, we looked outside and then we decided, we can do this ourselves. You may recall, gentlemen, that you had a real problem with the way we were running our Diplomatic Telecommunications Service for years, and Mr. Tenet and I sat down and said, let us figure out who can deliver the capacity best, and we solved that. Mr. Tenet provides the capacity, and the person working for Mr. Tenet to do that also works for me. So we have a good deal and it is working. Our capacity has increased, the cost has gone down considerably, and everybody is happy. Therefore, I can put broadband capability in every mission around the world.

Just a little war story on how this works, as you know, part of our effort to reach out to the Congress was to create a State Department office up here to respond to Members of Congress. I was able to get an office in the House. I do not want to point any fingers but I have not yet been able to get a room on the Senate side. Be that as it may, 30 percent of the work of my House office comes from the Senate side. I was in there the other day waiting for a hearing to begin and just talking to my folks who work there.

There are three people in there. I said, what kind of requests are you getting? Constituent requests, visa problems, all this, hundreds and hundreds—the volume is going up 300 percent in the last year.

I said, give me an example of how you solve a problem that a Member of Congress brings to you. They said visa problems are common ones. Somebody will come in and say, why didn't a friend of mine get a visa when they applied in New Delhi or Mumbai or somewhere like that? I said, how do you handle that? Do you go to the Department and ask Consular Affairs? They said, no, we go right to the Embassy. How do you go right to the Embassy? Information technology. I said, show me. Sandra Shipshock, the officer who was working in the office, went to her computer and in 10 seconds she had not only gotten to the Embassy, she got into the Embassy's consular section data base. And in less than 20 seconds she had pulled up the specific visa application with a picture of the individual who had applied for the visa and why the visa was denied.

This data base is all secure. We have firewalls. Not anybody can just go in like you are going to Google. But the fact of the matter is that the kind of information technology system we have put in place allows us to provide that kind of service, not only to Members of Congress but to the public.

In that same vein, now that we have this information technology system coming along, we have to change the way we do business. We cannot just be an information system without a change in the process and the thinking of the Department. That is what our SMART Project is all about that we are asking for your support. We want to get rid of cables. Get rid of the way we used to do it in World War II. My staff gave me a chart the other day and it was recognizing that the last Wang computer left the Department 3 months ago. I am pleased to hear that. It should have left 10 years ago. But we are now in the information age and I ask for your support for our SMART program so that we can change the thinking in the Department as well as just put new computers and software into place.

Mr. Chairman, the Department has the responsibility to protect more than 60,000 Government employees who work in Embassies and consulates abroad. I know how interested you have been in this program over the years. You know that we have reorganized our efforts. We reorganized the Office of Overseas Building Operations to manage the effort with speed, efficiency and effectiveness under the leadership of General Chuck Williams. At the beginning of this administration we were building one new secure Embassy a year. Today we are building 10 new secure Embassy compounds a year. Many of these compounds also have separate facilities for USAID. They are also deserving of protection.

Moreover, we have reduced the Embassy's program cost by 20 percent using modern management techniques, using common components among our Embassy projects. Within the budget we are watching a plan to replace the remaining 150 Embassies and consulates that do not meet current security standards over the next 14 years for a total cost of \$17 billion.

To fund construction of these compounds we will begin the capital security cost-sharing program in 2005. Not everybody is crazy with this cost-sharing program, but it has to be done and I am

working with my Cabinet colleagues on it. Each agency with staff overseas will contribute annually toward construction of new facilities based on the number of positions that that Department or agency wants in the type of space that we are preparing for them. We arrived at the cost shares in the 2005 President's budget request in consultation with each agency and Department.

Along with securing our facilities we have focused on assuring that overseas staffing is deployed where they are mostly needed to serve U.S. interest. As agencies assess the real cost of maintaining staff overseas I hope they will adjust their overseas staffing levels to the minimum absolutely necessary since they will now have to contribute to the cost of maintaining them overseas.

Our budget request also, I might say, touches on physical security improvements to those soft targets in our missions, schools, recreational facilities. You know that we have an extensive plan to go after the soft targeting possibility, providing physical security improvements to overseas schools attended by dependents of Government employees and other citizens. Our 2005 request includes \$27 million for this effort, including \$10 million for the schools, \$5 million to improve security at employee association facilities, and \$12 million for residential security upgrades. Protection of Americans living and working overseas is one of our highest priorities.

We also appreciate the ongoing support from this committee for our peacekeeping budget. U.N. peacekeeping operations in troubled and fragile regions have been and remain critical to ensuring that such places are given stability and the time they need to work on long-term solutions to their underlying conflicts and problems. UNAMSIL in Sierra Leone and UNMISET in East Timor have been effective in helping new governments to establish themselves. We are also supporting peacekeeping missions in Liberia and Ivory Coast, and I would just ask for your continued support.

I am going to have difficulty meeting all of the peacekeeping financial responsibilities that I expect to arise over the next year, but the 2005 submission is certainly a good start on meeting those responsibilities. We will just have to see how the cost flows out in the course of the fiscal year.

#### PREPARED STATEMENT

Mr. Chairman, Senator Hollings, Senator Byrd, thank you for this opportunity to present our case. I thank you for your past support and I will thank you in advance for your future support.

[The statement follows:]

#### PREPARED STATEMENT OF COLIN L. POWELL

Mr. Chairman, members of the subcommittee, thank you for the opportunity to testify on the State Department's portion of the President's Budget Request for fiscal year 2005. While I know that your specific oversight is of the State Department operations portion of that budget request, I want to give you as well an overview of what those operations will support in the way of foreign policy. So let me give you the overall budget picture first and, then, touch on foreign operations. Finally, I will deal with highlights of our funding request for State Department operations.

The President's fiscal year 2005 International Affairs Budget for the Department of State, USAID, and other foreign affairs agencies totals \$31.5 billion, broken down as follows: Foreign Operations—\$21.3 billion; State Operations—\$8.4 billion; Public Law 480 Food Aid—\$1.2 billion; International Broadcasting—\$569 million; and U.S. Institute of Peace—\$22 million.



Mr. Chairman, the President's top foreign policy priority is winning the war on terrorism. Forty-eight percent of the President's budget for foreign affairs directly supports that priority by assisting our allies and strengthening the United States' diplomatic posture. For example: \$1.2 billion supports Afghanistan reconstruction, security and democracy building, and more than \$5.7 billion is provided for assistance to countries around the world that have joined us in the war on terrorism, and \$3.5 billion indirectly supports the war on terrorism by strengthening our ability to respond to emergencies and conflict situations. Moreover, \$190 million is aimed at expanding democracy in the Greater Middle East, in part to help alleviate the conditions that spawn terrorists.

In addition, \$5.3 billion is targeted for the President's bold initiatives to fight HIV/AIDS and create the Millennium Challenge Corporation, both of which will support stability and improve the quality of life for the world's poor—and, again, help to relieve conditions that cause resentment and despair.

Mr. Chairman, let me elaborate a bit on how some of these dollars will be spent.

#### WINNING THE WAR ON TERRORISM

Winning on the battlefield with our superb military forces is just one step in defeating terrorism. To eradicate terrorism, the United States must help create stable governments in nations that once supported terrorism, go after terrorist support mechanisms as well as the terrorists themselves, and help alleviate conditions in the world that enable terrorists to bring in new recruits. To this end, in fiscal year 2005 the State Department and USAID will continue to focus on the reconstruction of Iraq and Afghanistan, support our coalition partners to further our counterterrorism, law enforcement and intelligence cooperation, and expand democracy and help generate prosperity, especially in the Middle East.

#### *Building a Free and Prosperous Iraq*

The United States faces one of its greatest challenges in developing a secure, free and prosperous Iraq. The USG is contributing almost \$21 billion in reconstruction funds and humanitarian assistance to this effort. The World Bank and the International Monetary Fund are expected to provide another \$4 to 8 billion in loans and grants over the next three years. These resources, coupled with the growing assistance of international donors, will ease the transition from dictatorship to democracy and lay the foundation for a market economy and a political system that respects human rights and represents the voices of all Iraqis.

The Coalition Provisional Authority (CPA) and the Iraqi Governing Council (IGC) have made great strides in the areas of security, economic stability and growth, and democratization. Iraqi security forces now comprise more than half of the total security forces in the country. In addition, the CPA has established a New Iraqi Army, issued a new currency and refurbished and equipped schools and hospitals. And, as you know, the CPA is taking steps to help the Iraqis form a fully sovereign government this summer.

Much work remains to be done. Working with our coalition partners, we will continue to train Iraqi police, border guards, the Civil Defense Corps and the Army in order to ensure the country's security as we effect a timely transition to democratic self-governance and a stable future.

At the same time, we are helping provide critical infrastructure, including clean water, electricity and reliable telecommunications systems which are essential for meeting basic human needs as well as for economic and democratic development. Thousands of brave Americans, in uniform and in mufti, are in Iraq now working tirelessly to help Iraqis succeed in this historic effort. Alongside their military colleagues, USAID, State Department and the Departments of the Treasury and Commerce are working to implement infrastructure, democracy building, education, health and economic development programs. These efforts are producing real progress in Iraq.

As a definitive example of this progress, on March 8, the IGC formally signed the Transitional Administrative Law (TAL)—essentially an interim constitution for Iraq. This was a remarkable milestone. The TAL recognizes freedom of religion and expression, the right to assemble and to organize political parties, and other fundamentally democratic principles, as well as prohibiting discrimination based on gender, nationality or religion. This is a huge step for the people of Iraq and for the region—a step toward constitutional democracy. It is a step that just a year ago, Iraqis would not have imagined possible.

The U.N. Secretary General's Special Advisor, Lakhdar Brahimi, was invited back to Iraq by the IGC last week. He will help the Iraqis to determine what sort of transitional Iraqi government will be developed and to prepare for elections at the end of this year or early in the next. Creating a democratic government in Iraq will be

an enormous challenge. But Ambassador Bremer, working with the Iraq Governing Council and with the United Nations and our coalition partners, is committed to success. And when the CPA, funded and directed by the Department of Defense, goes out of business on June 30 and the State Department assumes the lead role in representing and managing U.S. interests in Iraq, we will carry on that commitment. We are already thoroughly involved. I was just in Baghdad last week meeting with Ambassador Bremer, members of the IGC, and talking to some of our troops. I know how thoroughly involved we are. And we will all succeed.

#### *Winning the Peace in Afghanistan*

Mr. Chairman, Afghanistan is another high priority for this Administration. The United States is committed to helping build a stable and democratic Afghanistan that is free from terror and no longer harbors threats to our security. After we and our coalition partners defeated the Taliban government, we faced the daunting task of helping the Afghan people rebuild their country. We have demonstrated our commitment to this effort by providing over \$3.7 billion in economic and security assistance to Afghanistan since 2001.

Through our assistance and the assistance of the international community, the government of Afghanistan is successfully navigating the transition that began in October 2001. Afghanistan adopted a constitution earlier this year and is preparing for democratic national elections this summer. With technical assistance from the United States, Afghanistan successfully introduced a new stable currency in October 2002 and is working to improve revenue collection in the provinces. The lives of women and girls are improving as women pursue economic and political opportunities and girls return to school. Since 2001, the United States has rehabilitated 205 schools and 140 health clinics and trained fifteen battalions of the Afghan National Army (ANA). Also, President Bush's commitment to de-mine and repave the entire stretch of the Kabul-Kandahar highway was fulfilled. The road had not been functional for over 20 years. What was once a 30-hour journey can now be accomplished in 5 or 6 hours.

While the Afghanistan of today is very different from the Afghanistan of September 2001, there is still much left to accomplish. In the near-term, the United States will assist the government of Afghanistan in its preparations for elections this summer to ensure that they are free and fair. To demonstrate tangible benefits to the Afghan people, we will continue to implement assistance on an accelerated basis. The fiscal year 2005 Budget contains \$1.2 billion in assistance for Afghanistan that will be focused on education, health, infrastructure, and assistance to the ANA, including drawdown authority and Department of Defense "train and equip". For example, U.S. assistance efforts will concentrate on rehabilitation and construction of an additional 275 schools and 150 health clinics by June 2004, and complete equipping of the fifteen army battalions. The United States will also extend the Kabul-Kandahar road to Herat so that people and commerce will be linked East and West across Afghanistan with a ground transportation link between three of the largest cities.

Last week, when I was in Kabul to meet with President Karzai and his team, I had the chance to visit a voter registration site. I saw how far Afghanistan has progressed, in only two years, along the path to constitutional democracy. I saw also clear evidence of the Afghan people's commitment to continue on that path despite the many challenges ahead. I met 9 or 10 women at the site and they knew what was at stake in their country. They were eager for the free and fair elections called for in the Bonn Agreement and I assured them that America was solidly behind them. I told them that as long as they are committed to building a new, democratic Afghanistan, we will stand shoulder to shoulder with them.

#### *Support for Our Coalition Partners*

As part of the war on terrorism, President Bush established a clear policy to work with other nations to meet the challenges of defeating terror networks with global reach. This commitment extends to the front-line states that have joined us in the war on terrorism and to those nations that are key to successful transitions to democracy in Iraq and Afghanistan.

Our assistance enables countries cooperating closely with the United States to prevent future attacks, improve counter-terrorism capabilities and tighten border controls. As I indicated earlier, the fiscal year 2005 Budget for International Affairs provides more than \$5.7 billion for assistance to countries around the world that have joined us in the war on terrorism, including Turkey, Jordan, Afghanistan, Pakistan, Indonesia and the Philippines.

U.S. assistance has also resulted in unparalleled law enforcement and intelligence cooperation that has destroyed terrorist cells, disrupted terrorist operations and pre-

vented attacks. There are many counterterrorism successes in cooperating countries and international organizations. For example:

- Pakistan has apprehended more than 500 al Qaeda terrorists and members of the Taliban through the leadership of President Musharraf, stronger border security measures and law enforcement cooperation throughout the country. I talked with President Musharraf when I was in Islamabad last week. As you know, his military forces were over the weekend hotly engaged with Taliban and al Qaida fighters in the border areas. More of the terrorists were being killed or captured. Fighting will likely continue.
- Jordan continues its strong counterterrorism efforts, including arresting two individuals with links to al Qaeda who admitted responsibility for the October 2002 murder of USAID Foreign Service officer Lawrence Foley in Amman.
- The North Atlantic Treaty Organization has endorsed an ambitious transformation agenda designed to enhance its capabilities by increasing deployment speed and agility to address new threats of terrorism.
- Colombia has developed a democratic security strategy as a blueprint for waging a unified, aggressive counterterror-counter narcotics campaign against designated foreign terrorist organizations and other illegal, armed groups.

The United States and its Southeast Asian allies and friends have made significant advances against the regional terrorist organization Jemaah Islamiyah which was responsible for the Bali attack in 2002 that killed more than 200 people. In early August 2003, an Indonesian court convicted and sentenced to death a key figure in that bombing.

Since September 11, 2001, 173 countries have issued orders to freeze the assets of terrorists. As a result, terror networks have lost access to nearly \$200 million in more than 1,400 terrorist-related accounts around the world. The World Bank, International Monetary Fund and other multilateral development banks have also played an important role in this fight by strengthening international defenses against terrorist finance.

While progress has been made attacking terrorist organizations both globally and regionally, much work remains to be done. The fiscal year 2005 President's Budget strengthens our financial commitment to our coalition partners to wage the global war on terror. Highlights of the President's request include \$700 million for Pakistan to help advance security and economic opportunity for Pakistan's citizens, including a multi-year educational support program; \$461 million for Jordan to increase economic opportunities for Jordanian communities and strengthen Jordan's ability to secure its borders; and \$577 million for Colombia to support President Uribe's unified campaign against drugs and terrorism.

In September 2003, at the United Nations, President Bush said: "All governments that support terror are complicit in a war against civilization. No government should ignore the threat of terror, because to look the other way gives terrorists the chance to regroup and recruit and prepare. And all nations that fight terror, as if the lives of their own people depend on it, will earn the favorable judgment of history." We are helping countries to that judgment.

Mr. Chairman, one of the aspects of the War on Terrorism that gives us a particular sense of urgency is proliferation of weapons of mass destruction. These terrible weapons are becoming easier to acquire, build, hide, and transport.

On February 11, President Bush spoke at the National Defense University (NDU) and outlined the Administration's approach to this growing danger. The President described how we have worked for years to uncover one particular nefarious network—that of A.Q. Khan.

Men and women of our own and other intelligence services have done superb and often very dangerous work to disclose these operations to the light of day. Now, we and our friends and allies are working around the clock to get all the details of this network and to shut it down, permanently.

We know that this network fed nuclear technology to Libya, Iran, and North Korea.

At NDU, President Bush proposed seven measures to strengthen the world's efforts to prevent the spread of WMD:

- Expand the Proliferation Security Initiative (PSI) to address more than shipments and transfers; even to take direct action against proliferation networks.
- Call on all nations to strengthen the laws and international controls that govern proliferation, including passing the UNSCR requiring all states to criminalize proliferation, enact strict export controls, and secure sensitive materials.
- Expand our efforts to keep Cold War weapons and other dangerous materials out of the hands of terrorists—efforts such as those accomplished under Nunn-Lugar.

- Close the loophole in the Nuclear Nonproliferation Treaty that allows states such as Iran to produce nuclear material that can be used to build bombs under the cover of civilian nuclear programs.
- Universalize the IAEA Additional Protocol.
- Create a special committee on the IAEA Board of Governors to focus on safeguards and verification.
- And, finally, disallow countries under investigation for violating nuclear non-proliferation treaties from serving on the IAEA Board of Governors.

As the President said at NDU, the nexus of terrorists and WMD is a new and unique threat. It comes not with ships and fighters and tanks and divisions, but clandestinely, in the dark of the night. But the consequences are devastating. No President can afford to ignore such a threat. And President Bush will not ignore it.

#### *Expansion of Democracy in the Middle East*

We believe that expanding democracy in the Middle East is critical to eradicating international terrorism. But in many nations of the Middle East, democracy is at best an unwelcome guest and at worst a total stranger. The United States continues to increase its diplomatic and assistance activities in the Middle East to promote democratic voices—focusing particularly on women—in the political process, support increased accountability in government, assist local efforts to strengthen respect for the rule of law, assist independent media, and invest in the next generation of leaders.

As the President emphasized in his speech last November at the National Endowment for Democracy (NED), reform in the Middle East is of vital importance to the future of peace and stability in that region as well as to the national security of the United States. As long as freedom and democracy do not flourish in the Middle East, resentment and despair will continue to grow—and the region will serve as an exporter of violence and terror to free nations. For the United States, promoting democracy and freedom in the Middle East is a difficult, yet essential calling.

There are promising developments upon which to build. The government of Jordan, for example, is committed to accelerating reform. Results include free and fair elections, three women holding Cabinet Minister positions for the first time in Jordan's history, and major investments in education. Positive developments also can be found in Morocco, which held parliamentary elections last year that were acclaimed as free, fair and transparent.

In April 2003, the Administration launched the Middle East Partnership Initiative (MEPI), an intensive inter-agency effort to support political and education reform and economic development in the region. The President continues his commitment by providing \$150 million in fiscal year 2005 for these efforts.

To enhance this USG effort with a key NGO, the President has doubled the NED budget to \$80 million specifically to create a Greater Middle East Leadership and Democracy Initiative. NED is a leader in efforts to strengthen democracy and tolerance around the world through its work with civil society. We want that work to flourish.

As President Bush said in his November speech at NED: "The United States has adopted a new policy, a forward strategy of freedom in the Middle East. This strategy requires the same persistence and energy and idealism we have shown before. And it will yield the same results. As in Europe, as in Asia, as in every region of the world, the advance of freedom leads to peace."

#### *Public Diplomacy in the Middle East*

And the advance of freedom is aided decisively by the words of freedom.

Democracy flourishes with freedom of information and exposure to diverse ideas. The President's fiscal year 2005 Budget promotes expansion of democracy in the Middle East by providing public access to information through exchange programs and the Middle East Television Network.

New public diplomacy efforts including the Partnerships for Learning (P4L) and Youth Exchange and Study (YES) initiatives have been created to reach a younger and more diverse audience through academic and professional exchange programs. In fiscal year 2005, the P4L and the YES programs, funded at \$61 million, will focus more on youth of the Muslim world, specifically targeting non-traditional, non-elite, often female and non-English speaking youth.

U.S. broadcasting initiatives in the Middle East encourage the development of a free press in the American tradition and provide Middle Eastern viewers and listeners access to a variety of ideas. The United States revamped its Arabic radio broadcasts in 2002 with the introduction of Radio Sawa, which broadcasts to the region twenty-four hours a day. As a result, audience size for our Arabic broadcasting

increased from under 2 percent in 2001 to over 30 percent in 2003. Based on this successful model, the United States introduced Radio Farda to broadcast to Iran around the clock. Building on this success, the fiscal year 2005 President's Budget Request provides over \$70 million for Arabic and Persian radio and television broadcasts to the Middle East. Last month, the United States launched the Middle East Television Network, an Arabic language satellite network that will have the capability of reaching millions of viewers and will provide a means for Middle Easterners to better understand democracy and free market policies, as well as the United States and its people. This network kicked off on February 14 with nine hours per day of broadcasting. Today, the broadcasting is 24/7. The network—Al-Hurra, or “the Free One”—reaches 22 countries, including Iraq. President Bush has already appeared on the network and I did an interview several weeks ago.

#### OUR NEW APPROACH TO GLOBAL PROSPERITY

President Bush's approach to global economic growth emphasizes proven American values: governing justly, investing in people, and encouraging economic freedom. President Bush has pledged to increase economic engagement with and support for countries that commit to these goals through an ambitious trade agenda and new approaches to development assistance focusing on country performance and measurable results.

#### *The Millennium Challenge Account (MCA)*

In February of 2003, we sent the Congress a budget request for the MCA and legislation to authorize the creation of the Millennium Challenge Corporation (MCC), the agency designed to support innovative development strategies and to ensure accountability for results.

The MCC will fund only proposals for grants that have clear, measurable objectives, a sound financial plan and indicators for assessing progress.

The Congress appropriated \$1 billion for MCA for fiscal year 2004. The fiscal year 2005 budget request of \$2.5 billion makes a significant second year increase to the MCA and paves the way to reaching the President's commitment of \$5 billion in fiscal year 2006.

#### *Trade Promotion Authority (TPA)*

President Bush recognizes that the fastest, surest way to move from poverty to prosperity is through expanded and freer trade. America and the world benefit from free trade. For this reason, one of his first actions upon taking office in 2001 was to seek TPA, allowing him to negotiate market-opening agreements with other countries. The President aims to continue vigorously to pursue his free trade agenda in order to lift developing countries out of poverty, while creating high-paying job opportunities for America's workers, businesses, farmers and ranchers and benefiting all Americans through lower prices and wider choices. As the President said in April, 2001 at the Organization of American States: “Open trade fuels the engines of economic growth that creates new jobs and new income. It applies the power of markets to the needs of the poor. It spurs the process of economic and legal reform. It helps dismantle protectionist bureaucracies that stifle incentive and invite corruption. And open trade reinforces the habits of liberty that sustain democracy over the long term.”

Since receiving TPA in 2002, the President has made good on his promise, completing free trade agreements with Chile and Singapore, which were quickly approved by Congress and went into effect on January 1. We have recently completed negotiations with five Central American countries on the Central America Free Trade Agreement (CAFTA) and our work to bring the Dominican Republic (DR) into that agreement concluded successfully on March 14 with the signing of an FTA with that country. Now, the DR can join CAFTA. In February, we announced the conclusion of an agreement with Australia. More recently, negotiations have been completed with Morocco and an agreement announced, and negotiations are ongoing with the Southern African Customs Union (SACU), Bahrain, and on the Free Trade Agreement of the Americas (FTAA). We are concluding comprehensive agreements that include market access for goods and services, strong intellectual property and investment provisions, and include commitments for strong environmental and labor protections by our partners. These arrangements benefit Americans and our trading partners.

Building on this significant progress, the President intends to launch free trade negotiations with Thailand, Panama, and the Andean countries of Colombia, Ecuador, Bolivia and Peru. The President has also stated his vision for a Middle East Free Trade Area by 2013, to ignite economic growth and expand opportunity in this critical region. Finally, the President is committed to wrapping up successfully the

World Trade Organization's Doha agenda. The United States has taken the lead in re-energizing these negotiations following the Cancun Ministerial.

#### CARING FOR THE WORLD'S MOST VULNERABLE PEOPLE

##### *Emergency Plan for AIDS Relief*

When President Bush took office in January 2001, the HIV/AIDS pandemic was at an all time high, with the estimated number of adults and children living with HIV/AIDS globally at 37 million, with 68 percent of those individuals living in sub-Saharan Africa. From fiscal years 1993 to 2001 the total U.S. Government global AIDS budget was about \$1.9 billion. As part of the Emergency Plan for AIDS Relief, the President proposed \$2 billion in fiscal year 2004 as the first installment of a five-year, \$15 billion initiative, surpassing nine years of funding in a single year. The President's Emergency Plan for AIDS Relief represents the single largest international public health initiative ever attempted to defeat a disease. The President's Plan targets an unprecedented level of assistance to the 14 most afflicted countries in Africa and the Caribbean to wage and win the war against HIV/AIDS. In addition, programs will continue in 75 other countries.

By 2008, we believe the President's Plan will prevent seven million new infections, treat two million HIV-infected people, and care for 10 million HIV-infected individuals and those orphaned by AIDS in Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda and Zambia.

Announced during President Bush's State of the Union address on January 28, 2003, the Emergency Plan provides \$15 billion over five years for those countries hardest hit by the pandemic, including \$1 billion for the Global Fund to Fight AIDS, Tuberculosis and Malaria. The fiscal year 2005 Budget provides \$2.8 billion from State, USAID, and the Department of Health and Human Services (HHS) to combat global AIDS, more than tripling funding for international HIV/AIDS since the President took office.

Over the past year, we have worked with the Congress to pass legislation laying the groundwork for this effort and to appoint a senior official at the State Department to coordinate all U.S. Government international HIV/AIDS activities. Ambassador Randall Tobias has been confirmed by Congress and has now taken steps to assure immediate relief to the selected countries.

Earlier this month, Ambassador Tobias, Secretary Thompson, USAID Administrator Andrew Natsios, and I rolled out the strategy for this plan and announced the first dispensation of dollars—\$350 million in contracts to some of the NGOs and PVOs who will be carrying out the fight at the grass-roots level. It was a thrilling moment, I can assure you.

As a crucial next step, the fiscal year 2005 Budget Request expands on the Emergency Plan. By working together as a highly collaborative team, and placing primary ownership of these efforts in the hands of the countries that we are helping—just as you will recall the Marshall Plan did so successfully in post-WWII Europe—the Department of State, USAID and HHS can use significantly increased resources quickly and effectively to achieve the President's ambitious goals in the fight against global AIDS.

Mr. Chairman, President Bush summed it up this way in April of last year, "There are only two possible responses to suffering on this scale. We can turn our eyes away in resignation and despair, or we can take decisive, historic action to turn the tide against this disease and give the hope of life to millions who need our help now. The United States of America chooses the path of action and the path of hope." These dollars put us squarely on that path.

##### *Emergency Humanitarian Assistance—Helping Others in Need*

The President's Budget Request reflects a continued commitment to humanitarian assistance. The request maintains U.S. leadership in providing food and non-food assistance to refugees, internally displaced persons, and other vulnerable people in all corners of the world. In addition, the budget reflects the findings of the Program Assessment Rating Tool (PART) evaluations completed for the United Nations High Commissioner for Refugees and for USAID's Public Law 480 Title II international food assistance, which confirmed a clear purpose for these programs.

In 2003, the Administration provided funding to several international and non-governmental organizations to assist nearly 200,000 Angolan refugees and internally displaced persons return home after decades of civil war.

In an Ethiopia enveloped by drought, the Administration led international efforts to prevent widespread famine among 13 million vulnerable people, providing over one million metric tons of emergency food aid (valued at nearly half a billion dollars)

to the World Food Program and NGOs, funding immunizations for weakened children, and supplying emergency seeds to farmers.

In Sudan, the Administration worked with the United Nations and the Government of Sudan so that vital assistance could be delivered to the Sudanese people. This year the United States will provide about \$210 million in vital assistance to the people in the south, including approximately 125,000 metric tons (valued at nearly \$115 million) in food aid, as well as non-food assistance, such as sanitation and water. We anticipate that a comprehensive peace agreement in Sudan will allow us to expand significantly our development assistance to help the Sudanese people in effecting a long-awaited recovery following decades of civil war. The fiscal year 2005 Budget includes \$436 million in humanitarian and development, economic, and security assistance funding, much of which will be contingent upon a peace settlement between the government and the south.

The fiscal year 2005 Budget ensures that the Administration can continue to respond quickly and appropriately to victims of conflict and natural disasters and to help those in greatest need of food, shelter, health care and other essential assistance, including those in areas starting to recover from conflict and war, such as Liberia. In particular, the budget requests funding for a flexible account to give the President the ability to respond to unforeseen emergency needs, the Emergency Fund for Complex Foreign Crises, funded at \$100 million.

Now, Mr. Chairman, let me turn to the State Department operations portion of the President's Budget Request which, as you will recall, totals \$8.4 billion.

#### KEEPING AMERICANS SAFE AT HOME AND ABROAD

The State Department has the responsibility to protect more than 60,000 U.S. Government employees who work in embassies and consulates abroad. Since the 1998 bombings of two U.S. embassies in East Africa, the State Department has improved physical security overseas; however, as many of you are well aware, many posts are still not secure enough to withstand terrorist attacks and other dangers. To correct this problem, in 1999, the State Department launched a security upgrade and construction program to begin to address requirements in our more than 260 embassies and consulates.

#### *Capital Security Cost Sharing Program*

Working with the Congress, President Bush has accelerated the pace of improving and building new secure facilities. Moreover, we have reorganized the Overseas Buildings Office to manage the effort with speed, efficiency, and effectiveness. Within the budget, we are launching a plan to replace the remaining 150 embassies and consulates that do not meet current security standards over the next 14 years, for a total cost of \$17.5 billion. To fund construction of these new embassy compounds, we will begin the Capital Security Cost Sharing (CSCS) Program in fiscal year 2005. We will implement this program in phases over the next five years.

Each agency with staff overseas will contribute annually towards construction of the new facilities based on the number of positions and the type of space they occupy. We arrived at the cost shares in the fiscal year 2005 President's Budget Request in consultations with each agency and the State Department's Overseas Buildings Office.

CSCS is also a major component of the President's Management Agenda Initiative on Rightsizing. Along with securing facilities, we have focused on assuring that overseas staffing is deployed where they are most needed to serve U.S. interests. As agencies assess the real cost of maintaining staff overseas, they will adjust their overseas staffing levels. In this way, new embassies will be built to suit appropriate staffing levels. The program is already producing rightsizing results. Agencies are taking steps to eliminate unfilled positions from their books to reduce any unnecessary CSCS charges, which in turn is leading to smaller embassy construction requirements.

#### *Border Security*

Prior to September 11, 2001, the State Department's consular officers focused primarily on screening applicants based on whether they intended to work or reside legally in the United States. In deciding who should receive a visa, consular officers relied on State Department information systems as the primary basis for identifying potential terrorists. The State Department gave overseas consular officers the discretion to determine the level of scrutiny that should be applied to visa applications and encouraged the streamlining of procedures.

Today, Consular Affairs at the State Department, working with both Customs and Border Protection and the Bureau of Citizenship and Immigration Services at the

Department of Homeland Security, are cooperating to achieve our goals more effectively by sharing information and integrating information systems.

The Department of State has invested substantial time, money, and effort in re-vamping its visa and passport process as well as its provision of American Citizen Services. The Department has more than doubled its database holdings on individuals who should not be issued visas, increased training for all consular officers, established special programs to vet applications more comprehensively, increased the number of skilled, American staff working in consular sections overseas, and improved data-sharing among agencies. The State Department, along with the Department of Homeland Security, is currently developing biometrics, such as fingerprints, digital photographs or iris scans, for both visas and passports in order to fulfill requirements of the Patriot and Border Security Acts and the International Civil Aviation Organization.

As a part of the State Department's efforts to screen visa applicants more effectively, and in particular to ensure that a suspected terrorist does not receive a visa to enter the United States, we will be an active partner in the Terrorist Screening Center (TSC). The TSC, established in December 2003, will maintain a single, consolidated watchlist of terrorist suspects to be shared with Federal, state, local and private entities in accordance with applicable law. The Department of State will also participate in the Terrorist Threat Integration Center (TTIC), a joint-effort aimed at reducing the potential of intelligence gaps domestically and abroad.

To achieve our goal of secure borders and open doors, in fiscal year 2005 the State Department plans to expand the use of biometrics to improve security in the visa and passport processes; more effectively fill gaps worldwide by hiring people with specific skills including language expertise; improve and maintain all consular systems; and more broadly expand data sharing with all agencies with border control or immigration related responsibilities. The budget in fiscal year 2005 includes \$175 million for biometric projects including photographs and fingerprints to comply with Border Security and Patriot Acts.

The Border Security program underwent a PART analysis in the development of the fiscal year 2004 and fiscal year 2005 budgets and this budget request reflects the results of those analyses. The Department is moving ahead on program management improvements that clearly link to the Department of Homeland Security goals related to visa policy.

#### *The Critical Importance of Diplomatic Readiness*

You will recall, Mr. Chairman, members of the subcommittee, that we created the Diplomatic Readiness Initiative (DRI) in 2002 to address staffing and training gaps that had become very adverse to the conduct of America's diplomacy. The goal of DRI was to hire 1,158 new foreign and civil service employees over a three-year period. These new hires, the first over-attrition hires in years, would allow us to provide training opportunities for our people and greatly improve the Department's ability to respond to crises and emerging priorities overseas and at critical domestic locations. To bring these new people on board—and to select the best men and women possible—we significantly improved Department hiring processes, to include recruiting personnel from more diverse experience and cultural backgrounds and people who could fill critical skill gaps. In the process, we broke records in recruiting and thus had the best and the brightest from which to select. The Department of State will be reaping the benefits from this process for many years to come. We also created new mandatory leadership and management training, enhanced public diplomacy and consular training, and made significant increases in the amount of language training available for new Foreign Service Officers. DRI hiring has supported the Department's efforts in responding to crises since September 11th and provided the additional resources necessary to staff overseas locations that truly represent the front line in the war on terrorism.

Some of these positions, however, are being diverted to support new requirements not envisioned by DRI, such as permanently staffing new embassies in Afghanistan, Iraq, Sudan, and possibly in Tripoli. Because of this, the fiscal year 2005 Budget Request provides additional resources to continue our DRI commitment.

DRI has allowed the Department to focus on recruiting, training and retaining a high quality work force, sized to requirements that can respond more flexibly to the dynamic and demanding world in which we live. We need to continue it.

USAID has begun a similar effort to address gaps in staffing in technical skills, calling it the Development Readiness Initiative. USAID plans to hire approximately 40 Foreign Service Officers in fiscal year 2004 under this initiative. This Budget Request includes authority for USAID to hire up to 50 additional Foreign Service Officers in fiscal year 2005, in order to fill critical skill gaps identified through a comprehensive workforce analysis.



### *Information Technology*

Mr. Chairman, with your help and support, last year was a watershed year for the Department of State in the field of Information Technology. Shortly after assuming my position, I identified Information Technology as one of my highest priorities. Our objective was faster, smarter, simpler, and more effective diplomacy at every level. Three years later, we now have worldwide Internet access on desktops, as well as classified communications at every appropriate post. This has changed the way the State Department does business and could not have been accomplished without your support and that of the other members of the subcommittee, as well as the full Appropriations Committee. As we move forward with our efforts to replace our decades old cable system with the SMART program, the Committee's continued support of our IT modernization efforts will be as important as ever.

### *Soft Target Protection*

Mr. Chairman, I also want to tell you that your subcommittee's leadership in ensuring the protection of so-called "overseas soft targets" including overseas American schools is greatly appreciated. The Department has established a three-phased, multi-year program to provide physical security improvements to overseas schools attended by the dependents of U.S. government employees and other U.S. citizens. Our fiscal year 2005 request includes \$27 million for this effort including \$10 million for the schools, \$5 million to improve security at employee association facilities, and \$12 million for residential security upgrades. The protection of Americans living and working overseas is our highest priority.

### *Peacekeeping Operations*

We also appreciate the ongoing support from this Committee for our peacekeeping budget. U.N. Peacekeeping Operations in troubled and fragile regions has been and remains critical to ensuring that such places are given the stability and time they need to work on long-term solutions to their underlying conflicts. UNAMSIL in Sierra Leone, and UNMISET in East Timor have been effective in helping the new governments to establish themselves. We also supported peacekeeping missions in Liberia and Ivory Coast to assist their fragile transitional governments to implement peace agreements in those war-torn states. Your support in meeting these important needs has been indispensable. We look forward to working with you on helping us meet additional peacekeeping obligations as they emerge.

### CONCLUSION AND QUESTIONS

Mr. Chairman, I have focussed your attention for long enough. There is more in the President's Budget Request for fiscal year 2005; but what I have outlined above represents the top priorities for the State Department. I will be pleased to answer any questions you have about these priorities or about any other portion of the budget request in which you are interested. If I cannot answer the question myself, I have a Department full of great people who can; and I will get you an answer for the record.

Thank you.

Senator GREGG. Thank you, Mr. Secretary. We will try to be helpful. There are so many issues that we would like to take up, and I know each of us has a series of areas. Let me just do a couple and then turn it over to Senator Hollings and Senator Byrd and then we will go around again.

### FAILURE OF CLINTON ADMINISTRATION WITH TERRORISM

The first one is, I think you ought to be given the opportunity to respond to what Mr. Clarke said yesterday, although you were in Madrid. This committee dealt a great deal with the prior administration on the way it ramped up for terrorism and therefore with Mr. Clarke directly and indirectly, and we had some issues which are fairly well documented, with the failure of the prior administration to really get its act together and get coordinated.

One of the big problems we had was the terrible stovepipe approach in the other administration. We tried to set up something called the National Domestic Preparedness Office (NDPO), and we

tried to set up a number of major initiatives, a Deputy Attorney General to focus activity on terrorism, and quite honestly we ran into a lot of resistance and most of it came out of Mr. Clarke's shop, because I think he had much more of a centralized rather than cross-fertilization approach. So, I personally have reservations about his own track record in this area, but his criticism is there and he is a professional in this area.

However you came into the office of Secretary of State and he has stated essentially that this administration did not put a high priority on terrorism. It focused primarily on China and Russia and the relationship on the Korean peninsula. Of course, the attack on the American observer ship, was the first major foreign crisis of this administration, and that terrorism was a backburner issue, to paraphrase from his viewpoint, once this administration came into office. I think you are probably the fairest broker around here, to be very honest. I think the American public views you as a straight shooter who has seen it all, both as, obviously, the Chairman of the Joint Chiefs of Staff and as Secretary of State, and Chairman of Joint Chiefs under both Republican and Democratic Presidents.

#### TERRORISM—HIGH PRIORITY

So I would be honest in your assessment as a fair broker as to what level of interest you folks put into terrorism, what the priority was when you took office as Secretary of State, and do you agree with Mr. Clarke's characterizations?

Secretary POWELL. No, I do not. Terrorism was an important issue for President Bush and for all of us coming in. We were not unmindful of the fact that the *Cole* had just been attacked. We were not unmindful of the fact that our Embassies had been blown up, and terrorism was a danger. As I testified before the commission the other day, the very first briefing I received during my transition period, some 4 days after President Bush announced me, was from Mr. Clarke. The other colleagues that he had and that were becoming my colleagues, and the outgoing administration were involved in intelligence and terrorism. This is not the sign of somebody who did not have an interest in terrorism. It was also something the President made clear we had to be interested in.

But you cannot ignore when a China problem comes along or a Russia problem. All of these are important issues, and terrorism was an important issue.

I did not have adequate opportunity in my presentation the other day to describe all of the things that the State Department was doing in the name of the President throughout the spring and summer of 2001 to warn and alert American citizens around the world, to warn and alert our Embassies, all the things that Mr. Rumsfeld was doing to make sure that our military forces were secure, sending fleets to sea, taking our ships and our other military forces out of areas of vulnerability. The CIA was hard at work. We saw the threat. We did not ignore the threat. We responded to the threat.

The suggestion, however, that there was one magic moment or one magic bullet or one moment in time when you could connect two dots and say, we know that these individuals are in our country and we know that they are planning to fly planes into the World Trade Center is not right. We never connected the dots like

that, and I am not sure that except in hindsight could one have seen that the dots might have been connected in that way. So I think all of us were working hard.

The question about, you did not have enough meetings, I had all kinds of meetings in the Department. But the whole thing did not rest on all the principals getting together every day to talk to one another or to stare at one another. You do that when something is unfolding in a crisis atmosphere, as Mr. Clarke makes reference to, just before the millennium Y2K period. That is different. That is when you were in a real-time mode and you were expecting something to happen over New Year's Eve Y2K.

But I can tell you that the President was interested in this. He gave instructions to the chiefs of mission. The President sends a letter to every Ambassador who is taking over as a chief of mission, and one of the elements in that letter was, you are responsible for the security of your Embassy. I was charged by the President to work with those Ambassadors.

We did not see, to the best of my knowledge and you have heard from Mr. Tenet, and the FBI will be presenting before the commission next week, we did not see enough information to say that we knew that there was a threat already inside the country, nor did I see in my first several months until 9/11 came along, those first 7 months—the previous administration had 7, 8 years. But in our first 7 months I never saw a case come together that was of sufficient power of persuasion that you could say, we know enough about al Qaeda and we know enough about the Taliban that we could simply on our own, without getting Pakistan on our side, to go and invade Afghanistan and look for Osama bin Laden. It would not have been possible without the support and cooperation of the countries in the region, Uzbekistan, Pakistan, and not just say what we had to work out with the Russians and others in the region.

So I have thought about this. I have listened to the testimony. Mr. Clarke says that he tried to get access to various people in the administration. Dr. Rice has responded to this. She was available to him. He worked directly for her. There has been a discussion of memos sent, memos not sent, e-mails sent, e-mails not sent. I hope all of this will be balanced by the commission as they complete their work. I will wait for the commission's final report as opposed to daily comments that come from members of the commission in the press.

#### UPDATE ON IRAQ AND AFGHANISTAN

Senator GREGG. Thank you for that evaluation. You mentioned that you have been to Afghanistan and Iraq, and of course, that is the future of how we fight terrorism. You said you wanted to give us an update on what is going on there. Tell us what your thoughts are.

Secretary POWELL. Yes, sir. Afghanistan, it has been 2 years since I was there. I was there shortly after the Taliban was booted out, when there was only one telephone available for the whole government and money was being moved around by the half-ton in order to pay for something. I went back this time and we have a functioning government. We have a government that is slowly ex-

tending its reach out to the provinces. It is still difficult but it is slowly moving in that direction. We have a government that now rests on a solid constitution, and we should be proud of our effort in making that happen.

We have buildings going up all over. The Pakistanis were noting to me that 95 percent of the capacity of their cement industry has been reached because of construction that is taking place next door in Afghanistan. They are very delighted with that, of course. We have a road that has been rebuilt. We have restored hope to a people, and we have got to stay the course. We have got to stay the course with our NATO allies, who are now taking an active role under the leadership of NATO for security in Kabul and for putting it place more provincial reconstruction teams. I think it is up to 12 now.

So Afghanistan has shown a lot of progress over the last 2 years. Even though there are problems that remain, we should not sell ourselves short on what we have been able to accomplish. This is a country that 3 years ago had every woman walking around covered, that had nothing but the most despotic regime imaginable on the face of the Earth. That was the home office for al Qaeda and the home office for international terrorism. Now it has a government resting on a constitution, rights for the people, people are registering to vote. If there are remaining al Qaeda elements in the country or along the border with Pakistan, they are running and hiding. The remnants of the Taliban are causing trouble but they are also running and hiding.

We have gotten Pakistan to completely reverse its strategy from being a supporter of the Taliban to being an enemy of the Taliban; losing men in the fight along the border now to go after these remnants. So we have got to stay the course, and because we have created a better life for the Afghan people, we have got to finish the job.

With respect to Iraq, Ambassador Bremer and I spent a long time going over the progress that has been made. I see in the future an interim government coming in place, a full constitution being written. I see a new national assembly coming into being, a new national government coming into being. I see the United Nations getting involved. The major problem is security. Remnants of the old regime, terrorists and criminals who are operating inside of Iraq, and it is a problem for us, a serious problem. We have got to get on top of it.

But we cannot say that just because we are having this security problem that this therefore makes this a mission that should not have been undertaken. It was the right mission to be undertaken. We have freed 25 million people. We have given them the beginning of a democratic system, and what we have to do now is not shrink back from the fight that is ahead of us but to fight this fight, fight it well with our friends and allies, and work with the Iraqi people who by any poll that anyone has taken, wants us to be involved. Wants us to leave, of course, but wants us to help them get the kind of country and the kind of system we are talking about, and then leave. And create a place, a country that we will not be arguing about with respect to weapons of mass destruction,

who will be living in peace with its neighbors. This is a sound objective for us to pursue and we should pursue it.

#### STATE BUDGET IN IRAQ

Senator GREGG. One more question and then I will turn to Senator Hollings. On that point, the Coalition Provisional Authority is using approximately \$1 billion this year, projected to basically try to reconstruct Iraq. This gets handed off from the DOD to you on July 1, as you mentioned. Yet as we look at the budget that was sent up, there does not appear to be any funding to support the State Department on this. The question is obvious.

Secretary POWELL. Yes, there is not a specific line item in 2005. We believe that, and Ambassador Bremer and I had very candid talks about this because, you are quite right, it becomes the responsibility of the State Department on the first of July. But right now we believe that there will be sufficient funds available to the Department on the first of July that will carry us through the end of the year.

#### FUNDS FROM THE DEPARTMENT OF DEFENSE

Senator GREGG. Will they be coming from DOD?

Secretary POWELL. Yes, the funds that are available to the CPA do not suddenly disappear on the first of July. A lot of the things that are being done now for the CPA will continue be done for the State Department. Just a brief example. The Program Management Office that the Department of the Army runs now, that is getting policy direction from the CPA as well as from the Department of Defense, that the same Program Management Office will continue to provide that contracting, administrative fund flow service, but now it will be getting its policy direction and its supervision from the chief of mission.

#### DEPARTMENT OF DEFENSE SHARING WITH STATE

Senator GREGG. Have you ever found the DOD to be very generous about sharing funds with the State Department?

Secretary POWELL. No, nor has the State Department been very generous about sharing funds with DOD. But when both Departments know what they have to do and the President wants done, I have found that both Departments over time will what the President wants. In this case, the funds that are going to be used are funds that are for this purpose.

#### WHO PAYS THE COALITION PROVISIONAL AUTHORITY

Senator GREGG. Will the CPA employees become State employees? Will you be paying them directly or will their payment continue to flow through DOD?

Secretary POWELL. It will be a combination. Some of them are State employees now working within the CPA, and of course, they remain on my rolls when we change over to the chief of mission. But a lot of people who are there we hope will continue to do their work on non-reimbursable details from their Department. I am not going to pay the Army Program Management Office.

Senator GREGG. Can we get a projection as to how this is going to be handled?

Secretary POWELL. Yes.

[The information follows:]

Secretary Powell asked me to respond to your question at his March 25, 2004, hearing about how the State Department plans to fund personnel costs as operations transition from the Coalition Provisional Authority (CPA) to U.S. Embassy Baghdad.

We are currently working with our colleagues in the Department of Defense (DOD), the CPA, and many other U.S. Government agencies to address this question.

We plan to establish, by July 1, 2004, a U.S. Ambassador and U.S. Embassy staff and U.S. Mission facilities that will house the USG agencies in Iraq serving under Chief of Mission authority. The State Department has announced positions for 142 American employees. On average, the cost to establish a new State Department position overseas is about \$350,000. Of course, in Iraq, a number of additional cost factors are thrown into the mix that are not considered within this average.

We do not yet have refined cost estimates for how much the U.S. Mission will cost the State Department in fiscal year 2004. Estimates of personnel costs must include not only base salaries, but also certain additive costs for being posted in Iraq (e.g., allowances and differentials), locally engaged staff costs, travel, and rough order of magnitude logistics/life support costs for the currently planned State Department staffing. Estimates must also include certain staffing assumptions for provincial teams.

However, as you are aware, the big ticket costs for our Iraq presence will be incurred to provide security, facilities, logistics/life support, and information technology/communications for the U.S. Mission complex. The cost of these requirements in fiscal year 2004 will depend on the total size of the U.S. Mission, including USG agencies other than State, and the support arrangements now being discussed with CPA, DOD, and other agencies.

As of April 15, ten other agencies have requested a presence in Embassy Baghdad, for a total of 254 American positions. In the long term, we estimate a total of 350–400 permanently assigned Americans from some 12–15 other agencies will serve under the Chief of Mission in Iraq.

Together with other agencies, we continue to refine plans and budget estimates for our operations in Baghdad after June 30. We should soon have more accurate estimates to share with you.

Senator GREGG. Because it does seem to us that you are going to end up getting the ball handed to you but it will not have any air in it.

Secretary POWELL. We will have air in it, sir. I have Ambassador Ricciardone, our Ambassador from Manila has been working this for me. He stayed on in Baghdad after I left last week with retired General Mick Kicklighter, representing Secretary Rumsfeld, so that we can have a smooth baton pass.

TRANSFER

Senator GREGG. Maybe your staff could brief our staff on how the baton pass is coming along.

Secretary POWELL. Yes, it is coming along.

Senator GREGG. Senator Hollings.

ARMED SERVICES WILL NOT GIVE MONEY

Senator HOLLINGS. The Armed Services Committee has already provided in law that DOD shall not pay you. Did you know that?

Secretary POWELL. They shall not—

Senator HOLLINGS. The Armed Services authorization bill, the defense authorization bill, there is a proviso in there that they shall not pay you.

Secretary POWELL. Shall not pay me?

Senator HOLLINGS. Any money into the cost sharing program.

Secretary POWELL. Cost sharing. I thought we were still on Iraq.

Senator HOLLINGS. That is what I am talking about too. So you better get it straightened out. I think we are getting a policy where all departments are going to take care of cost sharing and I am worried about State Department ending up holding the bag for all of these departments. Even though the President, the White House has set out that policy and it is understood, we are signing legislation into law that says, none of these monies can be used for cost sharing.

Secretary POWELL. But I do not think that relates directly to Iraq. That relates to our worldwide effort to get cost sharing in our facilities.

Senator HOLLINGS. That is right.

Secretary POWELL. We will push back on that provision of law, and maybe some people who are not willing to participate in cost sharing will not find that we provide facilities for them.

#### CLARKE AND STATE CONNECTION

Senator HOLLINGS. I think you are the gentleman to push back on it. Now I was not even going to get into Clarke, but how many times did he meet with you? Was he in your loop at the Department of State?

Secretary POWELL. I saw Mr. Clarke at various meetings that were held, interagency fora, whenever the subject of terrorism was being discussed or counterterrorism, and we were in the White House meetings and Mr. Clarke was there. I know Mr. Clarke very well. I have known him for many years. The day he briefed me he came over to the Department on the 20th of December with his colleagues at my invitation.

#### CLARKE LACKING

Senator HOLLINGS. And he did brief you on counterterrorism. Did you find him wanting in his task as a terrorism czar as they call him?

Secretary POWELL. Wanting in his task?

Senator HOLLINGS. Yes.

Secretary POWELL. He knew the subject well. He had been working on the subject for many years. He was engaged in it and he was pushing it. But I have no reason to believe that he was not able to press his case to his immediate supervisors in the White House.

Senator HOLLINGS. But you could not know.

Secretary POWELL. I cannot tell you what he did day to day in the White House.

Senator HOLLINGS. You cannot tell me what went on with him and Condoleezza Rice and the National Security—you are over at the Department of State.

Secretary POWELL. Yes.

## SECRETARY WITNESS CLARKE

Senator HOLLINGS. I love the effort here, because you do have the credibility. I agree with the distinguished chairman that you have got credibility with us all. It is nice to try to superimpose your understanding and everything else about this situation with the Clarke matter, but in truth you are not a witness about all of that, are you?

Secretary POWELL. I am a witness to the extent that I participated in discussions on terrorism and counterterrorism matters, and my Department and people working for me participated in this on a very, very regular basis, and interacted on a regular basis with Mr. Clarke. It is not just principals meetings that were being held, but counterterrorism security group meetings were held on a regular basis. My intelligence officials, I have my own intelligence bureau, I have my own counterterrorism coordinator in the Department, and they all worked on a regular basis with Mr. Clarke and with the CIA and with the FBI. That is why whenever the threat level was modified, it went up or went down, it was a matter of immediate interest to us. We put out warnings and advisories. We sometimes told Embassies to close down for a couple days. We responded on a constant, continuous basis to the threat information that we had.

Senator HOLLINGS. I am totally familiar with your intelligence operation because some people have questioned it. But I investigated it in 1954 when it was run by Scott MacLeod and Park Armstrong. They were the individuals in the Department of State.

Be that as it may, I want to commend you—we were together Friday night in Islamabad and you really did the country credit in your little presentation at that dinner. We were very proud of you, and later on on CNN going into it that night.

Secretary POWELL. Thank you, Senator.

Senator HOLLINGS. With relation, and that is why I am asking on Afghanistan. You take Iraq and you take Afghanistan, Afghanistan has got 4 million more people than Iraq. And different than Iraq, we have got the people with us. They are solid with us in Afghanistan. You got the Taliban there, but the people are with us. We have got a history of having helped defeat the Soviets and so they are glad to have us. Specifically when they tell us about weapons and cache of weapons and any kind of munitions and everything else, we go there and find it. In Iraq, we have got 11,000 leads and come up dry on 11,000 leads with nothing.

## MONEY TO AFGHANISTAN

We have got NATO there in Afghanistan and we do not have NATO or really an alliance in Iraq. I cannot, for the life of me watching and listening and working with both of them, here we have got over \$100 billion, they say \$125 billion on Iraq. I know they requested only \$1.2 billion for Afghanistan and we got it up to \$2 billion. And that was the big meeting that we had with your folks, with the Ambassador and all of his folks, even with Karzai and everyone else. They just needed more help. The opportunities were galore. The AID fellow was slipping me one card with \$600



million and all. It just seemed to me that we were not following through.

Specifically, I want you to comment on it and see if you cannot help it. Let us get right to helicopters. And I will name the gentleman, General Stone. General Stone, he came on board last June and they had no attack operations whatsoever. It took him until about September and October to train them, and the first one they pulled off was in the end of November, December. Now as you and I both know, they are doing darn good up there on the border. They are putting their lives on the line and everything else like that.

We were told with respect to helicopters they had yet to arrive. He says, you know my word is my success out here. If I cannot give my word and follow through with it, he says, I am nothing. I told him back in September, and in fact the contractor has already been manufacturing the helicopters and everything else of that kind, but the State Department has not authorized the Defense Department or the Defense Department—I never could get it exactly straight, but there is some snarl in the bureaucracy. When you and I were there they did not have any, and the next day, on Saturday they brought over a couple of them from Nepal so they could make some raids.

So here, 2½ years later we have yet to equip them with night goggles. They said they were on the way. But I am 2½ years behind looking for Osama and I am finally getting some operations, and I still do not have the helicopters, and you can help us there.

And as you indicate with that election coming off, we ought to be putting way more in the National Endowment for Democracy. We got it up to \$30 billion and then we added another \$60 billion and everything else, but relatively nothing in Afghanistan.

I learned with the foreign minister in Tunis, because we took that in World War II, and I was amazed coming out of Morocco where they had 65 percent illiteracy, they had 65 percent literacy in Tunis, 80 percent homeownership and everything else of that kind. The foreign minister said, the secret, Senator, is let the women vote. In Muslim countries, you let the women vote, they want good schools, they want good homes. Karzai is doing just as you have attested, getting the women to participate in that September election. But he does not have the money to follow through and everything else of that kind.

We are pennypinching. We are just throwing, like you say, the largest State Department facility in history, almost \$900 billion to go into Baghdad where the jury is out. I am not as sanguine as you are. I am worried about it.

#### PUTTING MORE AID IN AFGHANISTAN

But we know, and you and I both agree on Afghanistan, but let us put the money to it. Karzai needs about \$5 billion to really follow through. General Jones, as you know, the commander of NATO says, one, two, three, he will have three areas secured by September and the fourth area where the Taliban is, there are about 1,300 there and he can get rid of those by the end of the year. So we are on course. I am very hopeful about Afghanistan. Like I saw, the jury is out on the other. That is one of the main things. I have

got two or three other questions, but if you would like to comment——

Secretary POWELL. Let me just touch on a few, if I may, Senator. With respect to Pakistan, we are working the helicopter issue. They need more helicopter capacity in that part of the tribal areas. On night vision goggles, when we were there last week they had not——

Senator HOLLINGS. They had not arrived.

Secretary POWELL. They had not signed the letter of agreement (LOA). They are working on it.

Senator HOLLINGS. Whatever the snarl is, good God, you and I are trying to get Osama for 2½ years and we just had not signed the papers to get——

Secretary POWELL. No, they had not signed the LOA.

Senator HOLLINGS. They had not signed or whatever it is.

Secretary POWELL. It is being worked now.

One other indicator of how things are going in Afghanistan, and we should not dismiss the fact that this is an example of what we can do if we stick with it, and it is an example that might apply to Iraq, 3 million refugees have come home from the largest refugee population in the world. Three million people who are being accommodated, slowly but surely, but they will be accommodated.

With respect to NATO in Afghanistan, I think ultimately there will be a NATO role in Iraq as well as an alliance. But most of the nations of NATO are already involved in Iraq as part of our coalition efforts. We should not dismiss that. So they have expressed their support for what we are trying to do.

There is a difference in the funding that has been made available to Afghanistan and the funding that is made available to Iraq, but I think we have determined that our needs in Iraq are far greater than the needs in Afghanistan, even if we had double or triple the amount available.

#### AFGHANISTAN OVER IRAQ

Senator HOLLINGS. The opportunity is greater in Afghanistan. The needs are greater in Iraq. You and I agree. But let us take the opportunity that is there where you put just—the President has asked for \$1.2 billion, for God's sake, and hundreds of millions over there for the needs in Iraq. But here are the opportunities. You could take \$20 million and put in what we call a VOIP, a voice over Internet provider, and we could get the Internet going and communications going and we could have that by the end of the year if you got a good contractor in there, and then we would have communications in a friendly country where they like us, they support us, they support NATO and everything else, and they are working with us to try to get rid of the Taliban. That is an opportunity.

Secretary POWELL. The only other thing I would mention is, as you know, we have asked for doubling of the NED funds this year.

Senator HOLLINGS. In Iraq.

Secretary POWELL. No, overall. The overall account, we have asked for a doubling of the National Endowment for Democracy (NED).

And I congratulate the Tunisians for what they have done with respect to literacy. That is what we would like to see in all these other places as well.

Senator HOLLINGS. Let me yield.

Senator GREGG. Senator Byrd.

Senator BYRD. Thank you, Mr. Chairman.

Mr. Secretary, I am an ex-officio member of this committee. I take this opportunity to thank the chairman and the ranking member of this subcommittee. They are very learned and experienced, dedicated members of the Appropriations Committee. I also want to thank you for your long service to your country. I have observed your service from my vantage point of several positions going back over a number of years, and I share the encomiums that have been expressed already by the chairman and the ranking member.

There has been some discussion here about foreign aid and the Pentagon. Press reports indicate that the Pentagon will continue to handle foreign aid in Iraq even after a new U.S. Embassy is established on July 1, 2004. I never understood why the CPA should be under the control of the Defense Department in the first place. DOD is responsible for fighting wars and protecting national security. Getting the Pentagon into the foreign aid business is a mistake, and I have been fighting that, and I have been fairly effective as the ranking member and as the chairman from time to time of the Appropriations Committee of the Senate, but not in the case of Iraq. I have been opposed to shifting monies over to the Defense Department, money for foreign aid. It distracts the Department from its core mission. I am talking about the Defense Department now.

Moreover, in every major postwar situation during the last 50 years, the State Department and USAID have been in charge of reconstruction efforts. Even in the case of Vietnam where the war was still being fought, the State Department and USAID were primarily in charge of economic and development assistance efforts. After June 30, the case for the State Department to manage the aid will be even more compelling. There will be an Iraqi government, there will be a U.S. mission in Iraq. I cannot understand why the Defense Department will still be in the business of managing foreign aid.

#### WHY DOES THE DEPARTMENT OF DEFENSE FUND THE COALITION PROVISIONAL AUTHORITY

You are a former chairman of the Joint Chiefs of Staff. Should we not be getting the Defense Department out of the foreign aid business and letting the State Department do the job that it is supposed to do?

Secretary POWELL. Mr. Chairman, a couple of observations. The Defense Department is superb at fighting wars, but they also have a record of dealing with the situation that one finds in a country in the immediate aftermath of a conflict. We all can remember very well General MacArthur in Japan after World War II and military officers in Germany after World War II until such time as we were able to transition over to other agencies of government.

In the case of Iraq, it was logical and made sense that the Defense Department should be prepared for the immediate aftermath

of the war and to be responsible for the country as it is being stabilized and as the reconstruction effort got underway. But it was always anticipated that once a point had been reached when we are ready to return sovereignty and we were ready to continue with the reconstruction effort, it would all transfer over to the chief of mission, the Ambassador and the State Department. That is on track.

Even so, during this period where Defense has had the direct responsibility for CPA, USAID has been intimately involved. We have a very large USAID mission there, contracting for and undertaking reconstruction efforts. In fact they have been the bulk of the reconstruction efforts.

On the first of July when this transfers over, if we are able to keep that schedule, and I hope and think we will be able to keep that schedule, everything comes under the chief of mission. So you might still, after that point, have an Army Program Management Office for the simple reason that the State Department is not equipped to program manage the sums of money that are going to be available from the supplemental. So I want that Army Program Management Office to contribute to provide contracting support, all the other things required to handle that sum of money.

What will change is that they will get all policy direction and all instructions will come from the chief of mission, the Ambassador, who will work for me in the name of the President. He ultimately works for the President.

When I talk to Secretary Rumsfeld and Mr. Bremer about this, they all understand this. As I said to Secretary Rumsfeld in a conversation we had last week to make sure there is no confusion, there is not any confusion between us, on first of July, anybody who is doing things that belong to the Pentagon now becomes a supporting organization to the chief of mission and to the State Department. There are some things that they do very, very well and it would be not wise of the State Department to say, we do not want you to do this anymore because you belong to the Pentagon. We want you to continue to do it, but you will be doing it under the authority of the chief of mission, and when you need policy guidance as to whether a dollar should go here or go there, or whether this project is approved or that project is approved, that decision will come from the chief of mission reporting to the State Department. And the State Department back in Washington will, of course, discuss this on an interagency basis with all relevant agencies in the Government and we will get our overall direction from the President.

Senator BYRD. Here, Mr. Secretary, in my hands I hold two different declassified versions of the national intelligence estimate on Iraq. Now I read from a version that was released in July 2003 after the war. This passage is part of the dissenting view of the State Department's Bureau of Intelligence and Research. Here is what it says.

"The Assistant Secretary of State for Intelligence and Research believes that Saddam continues to want nuclear weapons and that available evidence indicates that Baghdad is pursuing at least a limited effort to maintain and acquire nuclear weapons related capability. The activities we have detected do not, however, add up to a compelling case that Iraq is currently pursuing what INR would consider to be an integrated and comprehensive approach to acquire nuclear weapons. Iraq may

be doing so, but INR considers the available evidence inadequate to support such a judgment.

"Lacking persuasive evidence that Baghdad has launched a coherent effort to reconstitute its nuclear weapons program, INR is unwilling to speculate that such an effort began soon after the departure of U.N. inspectors or to project a timeline for the completion of activities it does not now see happening. As a result, INR is unable to predict when Iraq could acquire a nuclear device or weapon."

Secretary POWELL. Sir, what was the date you said that was, July?

Senator BYRD. This is the declassified version of the national intelligence estimate on Iraq. This version was released in July 2003 after the war. It is the declassified version.

Also, here is the declassified version of the national intelligence estimate on Iraq that was released in October 2002. That was when the Senate of the United States did the most shameful thing that it has done. It washed its hands of its responsibility to declare war, and it shifted that constitutional power to the President of the United States, to one man, to declare war, to decide when to declare war, and how and when to use the military.

This is the declassified version of the national intelligence estimate on Iraq that was released in October 2002. That was when our Senators were misled into casting a vote to declare war, to shift that power to one man to declare war. This version was released in October 2002, before the war.

I looked through every page of this version, and the State Department's dissenting views from which I just read have been omitted from this version. In other words, the intelligence views that did not agree, the intelligence views from your Department, Mr. Secretary, that did not agree with the White House's political agenda were cut out in the version released before the war. They were cut out.

Let me read just one sentence in the State Department's alternative views of Iraq's nuclear weapons. One sentence. "The activities we have detected do not, however, add up to a compelling case that Iraq is currently pursuing what INR would consider to be an integrated and comprehensive approach to acquire nuclear weapons." That language was left out at the time when it should have been left in for the American people and all to see.

I know that you have confidence in the Department's intelligence bureau. You just stated it today. You just made reference to the intelligence bureau. You expressed confidence in your own intelligence bureau. And I have confidence in it. Yet, it was left out of this document about Iraq's weapons of mass destruction program.

So can you explain why the State Department's views were not included in this document right here, that were so important to the President's case to go to war in Iraq? Did it concern you that the State Department's views were left out in the document that was released publicly before the war?

Secretary POWELL. Senator, I do not have the benefit of having read or studied those two documents recently. Are you saying these are declassified versions of the same document separated in time?

Senator BYRD. Yes.

Secretary POWELL. I would have to read what the overall NIE said. I know that the presentation I made on the fifth of February

tried to carefully balance and put forward to the international community what we believed about at the time.

Senator BYRD. There it is.

Secretary POWELL. I cannot respond to this, Senator, because I am not the author of either document, and I do not have an opportunity to read what the basic document says, not just the footnote. The fact is that, as the INR footnote says and I am sure the basic document says, there was never any doubt that he wanted to have nuclear weapons. As I testified before the world on the fifth of February, he was keeping in place the knowledge infrastructure, he was keeping in place the capacity to have such weapons, or plans to have such weapons, and that there was some indication that he was undertaking procurement activities. There was a difference of opinion with respect to some of the procurement activities concerning centrifuges, and I made that point when I made my presentation.

So I think it was clear this is something he wanted to have, but there were legitimate differences of opinion as to how far he was on the road to having such a capability. One thing that I have never doubted is that if he had been released from the pressure of the international community or if he had been released from the sanctions policy that was in effect, all of which he was trying to do, there is no doubt in my mind that he would have gotten right back on track with the intellectual infrastructure and with the money available to him and with the plans that he had.

Senator GREGG. Senator, if you have completed that line of questions, could we go on and get to other Senators and then come back for another round?

Senator BYRD. I had not completed it. I will try to be brief.

Based on the declassified national intelligence estimate, the State Department's assessments on Iraq appear to be more accurate than the assessments of other agencies. But these conclusions regarding Iraq's nuclear weapons program were all but ignored by senior administration officials. Vice President Cheney said virtually the opposite on national television when he stated, "we know [Saddam Hussein] has been absolutely devoted to trying to acquire nuclear weapons and we believe he has in fact reconstituted nuclear weapons." Mr. Secretary, the world heard from the National Security Advisor who warned of nuclear weapons and mushroom clouds. These statements were absolute and unequivocal, but there is no mention whatsoever that the nuclear issue was hotly debated within the intelligence community. There is no mention of the questions raised by the State Department's intelligence service. Those concerns did not match the administration's case for war, so those concerns were brushed aside, brushed over, and brushed away.

In your view, Mr. Secretary, why were the State Department's conclusions, which ended up being the most accurate of all, ignored by other senior officials in the administration, especially the Vice President?

Secretary POWELL. Sir, I cannot track each statement. All I can say is that the position put forward by me and with Mr. Tenet behind me, having approved every word of my presentation of the fifth of December, reflected the best judgment of the intelligence community. Now where there are differences of opinion and nu-

ance, you have to make a judgment as to what the preponderance of evidence supports, and Mr. Tenet is the one who makes that judgment. I think he put a balanced judgment into the overall NIE that was available to the Congress, that was available to me as I prepared my presentation and which reflected the best judgment of the community when I made my presentation. And I had qualifiers in my presentation to suggest that there were differences of opinion.

Senator BYRD. I thank you, Mr. Secretary, and I thank you, Mr. Chairman.

Senator GREGG. It is the tradition of this subcommittee at least to recognize the chairman of the full committee whenever he arrives.

Senator STEVENS.

Senator STEVENS. I would take just a few minutes, if I may. There are five hearings this morning. I have tried to visit each one of them, Mr. Chairman.

Mr. Secretary, my first report to you is that my Flat Stanley got home all right.

Secretary POWELL. I am pleased to hear that.

Senator STEVENS. We met the Secretary in Jordan and he was kind enough to——

Secretary POWELL. We are still looking for the digital pictures so we can put it up in the State Department.

Senator STEVENS. I have got one. I hope you know what a Flat Stanley is. If you do not have a grandchild——

Secretary POWELL. You do not know what a Flat Stanley is?

#### FUNDING FOR THE COALITION PROVISIONAL AUTHORITY POST-JULY

Senator STEVENS. Mr. Secretary, first, I come primarily because I am worried about the funding for the CPA in the transition after July 1. I do hope that we can get your guidance on what will take place there. As I understand it, it is fairly certain that the current funding of CPA will run out, and I do not know whether we are going to get to the 2005 bill in time to start October 1. There may be a gap there. Are you prepared to deal with that?

Secretary POWELL. We believe and we are still grinding down on this, Senator, in conversations with Ambassador Bremer and Secretary Rumsfeld and our two staffs working with each other, we will not walk in on the first of July and find no money there. There will be sufficient funds that should be able to carry the new operations under the chief of mission through certainly the end of the year and the end of 2005. But we really need to drill down on those numbers to make sure we have got it right.

Senator STEVENS. I hope we can visit later on in the year here about that funding, because very clearly——

Secretary POWELL. We have got to make sure we have got it right.

Senator STEVENS. Senator Hollings and I have met with members of the provisional council that did urge that we go forward and did urge that they want that authority at the end of June, so I think we ought to be sure that the funding is there until we do get the 2005 bill approved.

Having said that, I know of no one I admire more than the two gentlemen on my right here, Senator Byrd and Senator Hollings. We disagreed of the vote on the war resolution, and I still maintain that based upon the briefings that I had as chairman of the Defense Subcommittee and as President pro tem I had reached the same conclusions that you announced, and I still believe that there are weapons of mass destruction. We found their airplanes that they were not supposed to have after the first gulf war buried in the sand. It took us more than 1 year to find them, and we only found them by virtue of an informant that told us where they were. Now if they can bury airplanes, they can bury weapons of mass destruction.

#### READINESS OF IRAQI SELF-DEFENSE FORCES

But in any event, the problem now is winning the peace. I have one other question to ask you about the status of the training of their self-defense force. I hope that we will call it a self-defense force rather than an army because I do not believe they should have an army yet.

But in any event, the self-defense force and the police that will take over the major responsibility will be in Baghdad immediately. Do you have information on the status of that? Will they be ready and are they trained sufficiently to maintain that security to allow us to pull our forces out of Baghdad and have them—and the perimeter outside of Baghdad?

Secretary POWELL. I would like to provide a more fulsome answer from Ambassador Bremer and the Pentagon, but based on what I heard last week the training that the State Department is responsible for with respect to police is going well. We are producing in two places trained policemen coming through with 8 weeks of solid training. We have got to make sure they are getting equipped with cars, with uniforms, with weapons, with the forensic infrastructure that a police department needs. The military is now also training police. So I think the volume of trained police will increase very significantly in the months ahead. Getting them fully equipped is the challenge.

With respect to the army, there is an army that is being trained now, and battalions are starting to come out of that flow, and I think General Abazaid is anxious to speed that up. There is a huge amount of effort going into training of the civil defense units as they are called, but not civil defense in the old context that we remember, Senator Stevens, but militia—not even militia. A national guard is the closest parallel I think that would be located in the different regions to provide security.

Mr. Rumsfeld says that up to 200,000 Iraqi personnel are now in uniform helping us with security and putting themselves at risk. Eleven of them were killed the other day. So it is not as if they are not wanting to go out there and fight for their country and protect their country. But we still have challenges ahead to fully equip and train this force in a competent way.

[The information follows:]

Public security and law enforcement are critical priorities in Iraq and key to the new Iraqi government's ability to establish the institutions necessary to effectively govern after June 30th. The Department of State has been providing extensive sup-



port to the Coalition Provisional Authority since May of 2003 to achieve these goals. These efforts will continue beyond the transition, and will enable the Iraqis to ultimately assume full responsibility for security and public safety. As more and more Iraqi police are trained and can take up regular duties, coalition forces will be able to reduce their efforts in this area. Due to the neglect and abuses of the past 35 years, the security forces must be rebuilt, and it will take time before they reach full operational capacity and can operate independently.

It is encouraging to note that there are nearly 200,000 Iraqis working with coalition military forces and providing security for their country, serving as part of institutions such as the New Iraqi Army, Iraq Police Service, Border and Customs, and the Iraq Civil Defense Corp (ICDC).

The Iraqi Civil Defense Corps—which is similar to an internal self-defense force—is supporting Coalition operations throughout Iraq. Approximately 35,000 troops in 36 ICDC battalions are trained, deployed, and operating side-by-side with Coalition companies and battalions. CJTF-7 plans to stand up 9 more battalions by June, bringing the total number of ICDC to about 41,000 personnel either on duty or in training. ICDC training should be completed by August. In the Baghdad area, there are currently 6,300 trained and equipped ICDC troops. They are fully integrated into the operations of 1 Armored Division, which is assigned to the Baghdad area of responsibility.

Four battalions of the Iraqi Armed Forces have completed recruit training. The fifth battalion will enter training in mid-May, and by October we expect to have 27 battalions of IAF trained and equipped. Their mission will be defense against external threats.

With respect to the police, the CPA has determined that an Iraq Police Service (IPS) of approximately 75,000 personnel will be needed, and in order to reach this number, over 35,000 new recruits must be selected and trained. The Bureau for International Narcotics and Law Enforcement Affairs (INL) is funding necessary construction and renovations at a site offered in Jordan for the training, which began in November 2003. The training program consists of 8 weeks of intensive basic policing skills training that stresses modern, democratically based policing methods under the instruction of up to 400 United States and other international police instructors trained to deliver the course.

With INL funding, the curriculum for this training was developed by the Department of Justice International Criminal Investigative Training Assistance Program (ICITAP), and is based largely on the successful model used in Kosovo and other post-conflict areas. In a few months, the Jordan site will be at full capacity, and will be able to support up to 3,000 recruits and 1,000 instructors and staff at any given time.

As follow-on to the basic training, recruits will then complete a structured field-training program over a twenty-four week period administered by International Police Advisors who will focus on the practical application of the course work and will further develop their skills in core policing areas. So far, nearly 1,500 Iraqi police recruits have graduated from basic skills training and are deployed back at home. In addition, there are approximately 2,300 recruits in training in Jordan and Iraq.

ICITAP has also developed a three week Transition and Integration Program (TIP) for delivery to the approximately 46,000 existing IPS personnel. The program focuses on international standards of human rights, modern police patrol procedures, the applicable Iraqi criminal laws and firearms proficiency. This course is designed to facilitate a change in outlook, behavior, action and activities of all Iraqi police regardless of assignment or rank.

This course is being conducted country wide and has been prioritized to be delivered to those officers who will function as field training officers to the new recruits who will soon be graduating from basic training. The delivery of this course will continue until all existing IPS officers have successfully completed this training. So far, over 10,000 Iraqi police have received this training.

The CPA training plan also calls for further development of three police academies in Iraq—in Baghdad, Arbil and Basra, to also deliver the 8-week basic course. These three facilities, when fully renovated, will, together be able to train approximately 2,000 students at any one time. One hundred Iraqi police trainers have already been given a “train-the-trainer” course at the Jordan facility and have returned to Iraq. In addition, 230 U.S. military police trainers have been given the “train-the-trainer” course and will work with the Iraqi trainers in the three Iraq academies.

Our efforts are directed at enabling the Iraqi police to achieve the capacity to provide public security and law enforcement, and thereby allowing coalition forces to withdraw as soon as practical and safe.

Senator STEVENS. One last question Mr. Chairman. When we look at the plans now for the period past June 30, it is my understanding that the largest Embassy we have will be the Embassy that is in Baghdad.

Secretary POWELL. Yes, sir.

Senator STEVENS. Are we going to appoint an Ambassador there?

Secretary POWELL. Yes, sir.

Senator STEVENS. I am hard-pressed to understand why it is going to be that large. Could you just describe the need for that big an Embassy and its staff?

Secretary POWELL. A lot of things have to be done in Iraq. First and foremost, we have to make sure that we have the people in place to manage a very large sum of money made available by the Congress through the supplemental.

Second, we have got to help the Iraqis develop a sophisticated government with ministries that are answerable to political authorities, and that is going to take some effort. We will have a very large USAID presence in the country. We will have representatives of the chief of mission in different parts of the country to represent our interests. There will be a very large security component, because we expect that it will still be not a safe environment.

So when you add all of these things up, we think it will take a fairly large mission staff to do all these things. There will be an Office of Security and Cooperation, and we continue to work to improve the capabilities of Iraqi police and military personnel and the civil defense units that I spoke of. And there will be a lot of contracting people who may work for other departments but will be answerable to the chief of mission, and therefore become part of the overall mission size.

Senator STEVENS. Will any of the funding for that come from the supplemental or what's available to the new government?

Secretary POWELL. Yes, there are opportunities to tap into the funding stream of the supplement to support this overhead for managing of the supplemental money.

Senator STEVENS. Last item, my friend. Any bricks and mortar involved in that? Are we going to build a new building?

Secretary POWELL. We are looking now—yes, we are examining sites now for a new Embassy facility, and there is wedge money in the program now to begin that work.

Senator STEVENS. That is to permanently house that many people or will it come down?

Secretary POWELL. I certainly hope it will come down over time, but in the first year or two there is a massive amount of work that has to be done. The Embassy is not being scaled for that large a presence over time. It will take some years to build the Embassy and we are still figuring out what to scale it for. But it will be a major facility.

Senator STEVENS. Will the provisional authority be there at the same time in that building?

Secretary POWELL. The provisional authority will go away.

Senator STEVENS. Is the new government going to be in the green zone?

Secretary POWELL. I assume initially it will be, but I do not know the answer to that question. I will get it for the record.

Senator STEVENS. Thank you.

Thank you, Mr. Chairman. I do appreciate your courtesy. Gentlemen, appreciate your courtesy.

Senator GREGG. Thank you, Mr. Chairman.

#### HMONG REFUGEES IN LAOS

Senator Kohl, I appreciate your patience.

Senator KOHL. Thank you, Senator Gregg. I would like to change briefly to another area of the world which my staff has told you I was going to inquire about and that is Laos. Mr. Secretary, I am deeply concerned about reports coming from Laos on the status of the Hmong. My State of Wisconsin is the home to 33,000 former Hmong refugees, many of whom are concerned about the status of their family and friends in Laos who have been living in the jungle since the end of the Vietnam War. Estimates are that there are as many as 17,000 still in the jungles.

As you know, Mr. Secretary, the United States is indebted to these former Hmong insurgents who fought valiantly with us during the Vietnam war. In recent weeks there have been reports that hundreds of Hmong have been emerging from the jungle to take advantage of an unofficial Lao government amnesty program. The Lao government denies that there is such a program. We have been receiving reports that many of these Hmong have not surrendered willingly, but they have been captured and are being severely mistreated.

Last week Senator Feingold and myself, along with other Senators, sent a letter to Ambassador Negroponte asking for his assistance in urging the United Nations to send a high level U.N. representative or a fact-finding mission to Laos to monitor the treatment of the Hmong. To ensure the safety of this Hmong population we need to do all we can to shed light on the situation there. Unfortunately, as you know, there is virtually no international access to the areas where the Hmong live. So can I ask for your support in this request for a high level U.N. representative or fact-finding mission to Laos?

Secretary POWELL. Sir, we will be answering your letter in the next day or so, but we believe the United Nations can play an important role. There are U.N. agencies working in the area now. I really do need to talk to Kofi Annan as to whether he wants to designate another new special representative for this, but we will consider this request.

Our initial look into the issues raised in your letter suggest that they are coming out, but we have not yet got any evidence to suggest they are being abused in the way that some people have said they are being abused. I do not say it has not happened or is not happening, but we still have to do more work to establish the facts. We are trying to get greater access to them, and we are in touch with the Lao government about the need for greater access, and we are about pushing the United Nations to achieve greater access.

As a separate matter, as you know, there is a Hmong population that is in Thailand and we are working hard to see if we can settle them as refugees as part of our refugee resettlement program here in the United States.

[The information follows:]

I would like to respond on behalf of the Secretary regarding the Department's position on normal trade relations (NTR) for Laos which you raised during the March 25 Commerce, Justice, State Appropriations hearing.

The Administration supports granting NTR status for Laos and bringing into force the bilateral trade agreement negotiated in 1997 and signed in 2003. Laos is one of only three countries worldwide (the other two being Cuba and North Korea), and the only lesser-developed country, subject to tariff rates generally far higher than those available under NTR. Extending NTR to Laos could help open Laos to the outside world, which could in turn lead to more internal openness and transparency. Progress toward a more open and democratic society will help us achieve our foreign policy objectives across the board. While some opponents of NTR argue that it should be used as a reward for a completed democratic reform process, we believe that granting NTR to Laos will benefit the Lao people, and will create a more cooperative environment in which the United States can effectively pursue key human rights and democratization objectives.

The United States Government remains deeply concerned about human rights in Laos, including treatment of the Hmong minority. We have repeatedly made clear to the Lao government the strong concern of the American people and government about the poor human rights situation and will continue to do so. In regard to recent reports of Hmong living in remote areas seeking to resettle in Laos, reports so far indicate that the Lao Government has treated those seeking resettlement humanely. We have offered assistance for this population, but the Lao Government has not responded. Also, Secretary Powell has written to the Lao Foreign Minister supporting Ambassador Hartwick's urging that the Lao Government allow our Embassy or international organizations access to these people so that we can assess their conditions first hand. We do have reports that fighting continues between some Hmong groups and the Lao Government, and we have urged that the Lao take a humanitarian approach.

I hope this answers your questions. Please feel free to contact me if we may be of further assistance.

UNITED STATES SENATE,  
Washington, DC, March 15, 2004.

Ambassador JOHN D. NEGROPONTE,  
U.S. Ambassador to the United Nations, United States Mission to the United Nations, 799 UN Plaza, New York, NY.

DEAR AMBASSADOR NEGROPONTE: We are writing to ask for your assistance in urging the United Nations to send a U.N. representative or fact-finding mission to Laos to monitor the treatment of hundreds of Hmong-Lao, many of whom are former insurgents and their families, who have recently emerged from the jungles of Laos. A high-level U.N. presence is essential in securing the safety of these individuals, as well as in providing greater transparency regarding Lao governmental actions to the international community.

Over the past several weeks, hundreds of Hmong-Lao and their families have left the jungles of Laos. Many of these former insurgents fought with the Central Intelligence Agency during the Vietnam War to rescue downed American pilots, to thwart supply lines along the Ho Chi Minh trail and to hold off North Vietnamese troops. When the Vietnam War ended and the communist Pathet Lao took over the government, thousands of Hmong were killed and sent to reeducation camps. Most Hmong fled Laos or hid in the jungles of Laos, fearing for their lives. Some estimate that as many as 17,000 Hmong have been living in the jungles since 1975. The United States remains indebted to these courageous individuals and their families.

The U.S. government claims that these individuals have surrendered to the Lao government and are participating in an unofficial and "unstated" amnesty program organized by the government of Laos. Yet, our offices have heard contradictory information. Reports indicate that the Laotian government denies the existence of any amnesty program for these individuals. In addition, many of our constituents claim that these former insurgents have been captured by the Lao military and did not surrender. Our constituents fear that these people are in serious danger and allege that many have already been killed, including women and children. Amnesty International in a report on March 4, 2004 states, "Amnesty International has received conflicting reports as to their [the Hmong's] reception and treatment by Lao authorities."

The restrictions imposed by the Lao government on international access have prevented policymakers, journalists and humanitarian groups from knowing the reality on the ground and understanding the needs. The United Nations can play a crucial role in shedding light on the situation. We ask you, therefore, to urge the United Nations to send a U.N. representative or fact-finding mission to ensure that these

former insurgents are treated humanely and that the Lao government respects its obligations under international law.

We thank you for your consideration.

SENATOR RUSS FEINGOLD,  
SENATOR HERB KOHL,  
SENATOR BARBARA BOXER,  
SENATOR MARK DAYTON,  
SENATOR DIANNE FEINSTEIN,  
REPRESENTATIVE RON KIND,  
REPRESENTATIVE MARK GREEN,  
REPRESENTATIVE DEVIN NUNES,  
REPRESENTATIVE GEORGE RADANOVICH,  
REPRESENTATIVE DANA ROHRBACHER,  
*Members of Congress.*

Senator KOHL. Thank you. Mr. Secretary, an AP story earlier this week based on information from the Hmong leader in the jungle reported that 6,000 Laotian troops using machine guns, grenades, mortars, and helicopter gunships had launched a new attack against a group of 2,000 Hmong insurgents and their families. At least seven women and children were killed. Amnesty International reported in October that the Lao government has used starvation as a weapon of war against thousands of Hmong in the jungle. We have seen reports, such as photos in a Time Asia piece last summer that Hmong in the jungle are living in deplorable conditions.

What can we do to press the Laotians on the human rights situation? Senator Feingold and myself contacted the Lao government about the Amnesty report. They have denied the report. Our ambassador industry has been pressing for normal trade relations with Laos, and that bill was recently introduced in the Finance Committee.

My question is, is this the time for us to be rewarding that government with normal trade relations when we are supposedly, and I believe should be, so concerned about their human rights treatment?

Secretary POWELL. We are concerned about the human rights treatment. We have received reports of this military operation and we are trying to confirm or get a denial of it; to find out what the facts are. The Embassy is working hard to establish the facts. While I have seen the same reports that you have, I just do not know the real facts yet.

The Lao government does have an amnesty policy with respect to the trade relief legislation. Let me take another look at it because I really am not familiar with it.

Senator KOHL. I would appreciate that very much.

Secretary POWELL. I would be delighted, Senator.

Senator KOHL. Finally, you refer to the Buddhist temple in Thailand and resettlement efforts. I would like to know what the State Department plans are to ensure the humane treatment of those Hmong Lao who do not qualify for resettlement in the United States. In the interest of time I will submit the question and I look forward to some response from you.

Secretary POWELL. Yes, sir. Thank you, Senator.

Senator KOHL. I thank you, Mr. Secretary.

Senator GREGG. Thank you, Senator Kohl. I know the Secretary has to leave but there are number of issues we would still like to

take up with you, and maybe we could all take maybe 5 minutes, 10 minutes at the most to go over those.

#### CHARLES TAYLOR BEFORE TRIBUNAL

There are a series of issues that deal with peacekeeping and activities in Africa. One of my concerns, as you know, is how we get Charles Taylor over to be tried before the tribunal, so I would ask you a series of questions. One is, do you expect the UNMIL process to be successful if Charles Taylor is not tried? If your answer is no, then how do we get him tried?

Number two, it appears that there is going to be an expanded peacekeeping effort throughout Africa, especially in Sudan eventually, what are you projecting that we are going to have to come up with for peacekeeping in Africa?

Secretary POWELL. The best I can do with respect to projections is what we have now in the 2005 budget, but I want to put down a cautionary word that we do have these other demands coming along. I hope they are coming along. I hope we will be able to work on peacekeeping forces for the Sudan. As you know, we are in a very intense, delicate period of negotiations with the Sudanese and the SPLN to try to get a comprehensive peace agreement. So we may well have to come back to the Congress at some point in the future during 2005 for additional support for peacekeeping efforts.

With respect to Mr. Taylor, he is still subject to the court. I believe he should come before that court. As you know, he is in Nigeria and the circumstances of him being moved to Nigeria was that the Nigerian government would not come under pressure in this immediate period to turn him over to the court. The Nigerian government has said, however, that when Liberia has a functioning government that is recognized and makes a request for Mr. Taylor, then it can be looked at at that time.

This was not a perfect solution, but last year when we were facing this problem we needed to get the violence ended, and we needed to get some control of this country and over the population. We needed to get Charles Taylor out. We found a way to do that and it required us to make a compromise with respect to letting him remain in Nigeria without the Nigerians being under pressure to turn him over right now, or else we would not have been able to——

Senator GREGG. But the understanding was that he would not stay in Nigeria——

Secretary POWELL. He is.

Senator GREGG [continuing]. And not be a force.

Secretary POWELL. He is not much of a force.

Senator GREGG. He is. He is agitating. There are reports that he has got an army up and running in the Ivory Coast.

Secretary POWELL. He does not have an army up and running. He is an annoyance. I have followed this very carefully because the last thing I wanted to see was to have Charles Taylor trying to create armies or stop what we are trying to do in Liberia. I have seen the reports about creating an army but I have never been able to verify that one exists.

Senator GREGG. How can we justify this tribunal if the first person they indicted will not be brought before them? We brought Milosevic in. Why should we not bring in Taylor?

Secretary POWELL. We will. It took a long while to get Milosevic in, and we finally had to apply different kinds of pressure and wait for a different set of circumstances in Belgrade before we could get Milosevic in. We still believe Charles Taylor belongs before this tribunal and we hope that that is where he will end up.

But last year the challenge we were facing was to get food into the people of Liberia who were starving and to get the killing ended. And we succeeded. We succeeded by getting Charles Taylor out, and the way we got Charles Taylor out was to send him to Nigeria with an understanding with the Nigerians that they would not be pressured. The Nigerians know that ultimately Charles Taylor has to be dealt with, and they have set out the circumstances under which he could be dealt with. That is when there is a functioning government in Liberia and a request for his return. I think eventually he will stand before the bench of justice.

Senator GREGG. Before I turn it over to Senator Hollings I do what to thank your Department. You are doing a lot of things right. You are doing the IT right, and I think General Williams has done an excellent job of getting Embassy construction under control. I hope he is going to take a serious look at the new U.N. building on the security side. This is a big dollar item and I think his expertise and his shop's expertise in that would be very important on the security side.

Senator Hollings.

#### MIDEAST-WEST DIALOGUE

Senator HOLLINGS. Mr. Secretary, we can use your help on that International Center for Mideast-West Dialogue. I had the pleasure of talking with the president of Austria some 7, 8 years ago and he allowed how we ought to have better relations between the Christian and the Muslim world, or the Western and the Mideast world, and that he talked to the Ayatollah Khomeini by phone every week, and other leaders there. At that particular time we were looking there at the facility—I am rushing along because I do not want to use your time—at Istanbul that was given to us by the former Ambassador and everything else in a card game, and he lost a bet. He bought it and gave us a magnificent facility, presently on loan to the British.

I said, wait a minute now, we have gone along and we have got a wonderful consulate there, really a well-appointed facility, but why not start an East-West Center where you have got a secular state, Turkey, and everything else of that kind. We put in \$7 million, Senator Byrd, in the bill and everything else, and we are ongoing. Now all of a sudden, Assistant Secretary Frank Taylor in your Department says it is not safe. This is not an Inman facility; we do care whether it is safe obviously. But we would not be loaning it to the Brits if we were not sure of its safety, you know what I mean? If you get those entire in there, and this particular facility, they want to move it into the United Nations, move it into New York, we would have questions about some of the people in the dia-

logue even getting visas to come into New York under the present circumstance and turmoil and what have you.

Now you can get right in behind us and help us. We will put some more money and we will get it going. I think it is the Council for American Overseas Research Center, and they are a private group that is an NGO that takes and gets all these things working together and what have you. They have got credibility, and they will all join in. I have seen the success of the North-South Center, the East-West Center. We have got to get something going in the Mideast. Looking at the morning headlines, we are getting worse and worse.

Otherwise, I have got to comment on Iraq, because I am worried about you and that big facility that you have taken. After all, the largest facility we have ever built for the Department of State, and you have got General Williams and he is tip-top and we have worked closely together—\$450 million here. We have got \$900-some million set aside and you say they have not—the State Department says we expect to have 1,000 American personnel in there and 2,000 Iraqis working. So they are going to have 3,000 in the thing, and here we do not have security.

My friend Senator Stevens said we differ voting for the resolution. Let me level, because I did with my own people back home and the press and everything else like that, I knew what it was doing when I voted for that authority for the President to go into Iraq. He had stated amongst all the build-up on October 7 in Cincinnati, facing present danger of evil, we cannot wait until the smoking gun is a mushroom cloud. When your Commander-in-Chief says that, and you know he has got availability with the Mossad. We all yap about the intelligence. We act like we are the only ones—whether it was good or bad, and distorted, twisted, blah, blah, blah. Israel depends on knowing what is going on in downtown Baghdad. Their survival depends on it. They have got the best of intelligence.

So when the Commander-in-Chief said that, I voted for the resolution. I was misled, and we all were misled and we can see it in the morning news. Now we have got to do the best we can in there.

What happens is that we still do not have enough troops. It was the same thing—I thought I was back in Saigon with Westmoreland talking to General Abazaid. He in the one breath said to me we needed 90 more days to train the police. We do not have the police trained sufficiently for June 30. We have not secured the borders. We have got green troops in the turmoil of trying to not have enough troops, bringing in Guard and Reserve with the greens, so a fellow lights a hibachi in the backyard and that there gives us a radar, a heat signal and we shoot and kill the family and the kids. We see another photographer and he aims a camera and we think it is a rocket and we kill the Reuters newsman.

I had a good friend that has been in Baghdad for years off and on and he said, I shopped in downtown Baghdad in September. I went back in November and it was taking my life in my hands.

So that train—we are doing the work for the Iraqis, and we have got the constitution. You feel good about it, but they say, wait a minute, that is an open-ended document. It subject to amendment. It gives the Kurds autonomy so the rest of them want autonomy.



And Ambassador Bremer says we are not going to have an Islamic democracy, yet you have got a majority vote, and the majority vote is going to vote an Islamic democracy.

With all of that, Bremer is gone come June 30. Abazaid is gone. They are all leaving, and they are leaving it for you. And you are building up a temple even bigger than Saddam ever built, \$1 billion, \$900 some million for 3,000 personnel, and then you say that the AID people are going to—they are. They are going to have to go up with their security. They are insecure all over the place. And it is going to be open sesame come June 30, and we ought to know at this committee level, ought not to be planning a \$900 million facility. Maybe \$90 million, or take over one of the—they have got them all over the place, all those palaces and everything, and we are in them, in many of them.

We can take where they have got—and that is off the beaten track and a good facility, and move that crowd that is in there, all computerized, looking for WMD. Just move them out and move you in, and we have got a facility and everything else and we will see how things go. That is a secure place and everything else of that kind.

But I find the Defense Department—look, I asked about all those troops everywhere. I got to General McKernan and I said, General, I know you and you know me, you need some more troops. I said, I could have used more troops in June last year. I said, what for? He said, I could have gotten better security in the Sunni Triangle. I said, why not more troops now to get the Sunni Triangle, get the borders and everything else secure and what have you? The de-Baathification under Chalabi—and he will need the Secret Service by this time next year—Chalabi in charge of that has knocked off the leadership of the army, he has knocked off the leadership of the Sunnis and made some of them hostile and joined with Saddam loyalists, and they have joined with a lot of the insurgency coming in and terrorists and what have you, and the movement is—there is a definite movement going against us there, and you are going to end up holding the bag. That is what I am worried about.

Senator GREGG. Senator, we are going to run out of time here with the Secretary.

Senator HOLLINGS. That is all right. He can comment or not.

Senator GREGG. You can comment on that, then we will go to Senator Domenici, then to Senator Byrd.

Senator HOLLINGS. Help us on that Mideast-West Center.

Secretary POWELL. You are right, security is a problem there. Remember, the British just had a horrible situation with one of their consulates being blown up. I think we have to be careful about using that facility.

Senator HOLLINGS. That is right, we are in trouble.

Senator GREGG. Senator Domenici, and then we will go to Senator Byrd.

#### IRAQ RECONSTRUCTION, COST OF

Senator DOMENICI. Thank you very much, Mr. Chairman. Mr. Secretary, fellow members on the subcommittee, first I apologize for being late, particularly to you, Mr. Chairman. I had three committee hearings at the same time.

I want to talk just for a minute about Iraq reconstruction and then I want to change the subject to non-proliferation. It still remains an issue. First on reconstruction, I hope that the experts that are going to use the \$18 billion for reconstruction in Iraq will consider the fact that this reconstruction money ought to go as far as it can. By that I mean if there is any way that you can use it for guarantees and the like, so that less dollars get more accomplished, I think that would be a very good way to handle it.

Now I am not familiar with how you plan to reconstruct Iraq, and how you plan to bring this economy into being, but I would suggest that you have some finance experts advising the Department on how to stretch the \$18.5 billion. We know here that when we do guarantees, their cost on our budget is tremendously less than the amount of the loans. I leave that with you, and I hope that you will take every opportunity. If the \$18.5 billion does not permit that and you see some places where more is needed, I would hope you would ask us.

#### MOX PROGRAM; STATUS OF LIABILITY WITH RUSSIA

I want to change the subject. It seems almost trivial with what we are doing, but I think non-proliferation of nuclear, and chemical, and biological weapons remains a terrific problem for the world. I want to ask you again about the MOX program. You know what that is. That is the program with the Russians that caused America to change its policy and start building a plant for MOX, which is a new way to convert some of the radioactive consequences of nuclear build-up.

I am very concerned about the Russian-United States program that will remove 34 million tons of plutonium from the respective stockpiles. As you know, I have been involved with this effort beginning way back when we put it into effect. Frankly, I do not blame you, but I am very disappointed that the negotiations regarding this issue of liability has not yet been resolved. I tell you, Mr. Secretary, that it is a matter that deserves your attention. The Russians have negotiated a deal like this with another group, the G-8 partners and they have done it at a level of protection that is different from what we are talking about in this United States. I do not think we ought to let them get away with treating us differently.

In other words, they are making the liability question harder for our country than they did for the G-8. I would hope that again, Mr. Secretary, that you would find the very, very best people and get on with this. We must not lose the momentum of this huge deal that we made at the same time we got that highly enriched uranium. I think you are aware of that. They made a deal. We got enough highly enriched uranium that we bought that could make thousands of bombs, and it was bought and it is here in America. It is being fixed up to where it can be used in nuclear powerplants.

But the MOX program deals with a more dangerous compound. It deals with what nuclear weapons are made of. Or put it this way, you cannot make them without this. For the Russians to give us under an agreement 34 million tons—I believe that my staff is wrong. I think it is 34 tons.

Secretary POWELL. It is a lot.

Senator DOMENICI. It is a lot and it could make a lot of bombs, and they will not be able to be made. Could I have your comments on this?

Secretary POWELL. I am familiar with the program and I am familiar with the liability issue. Our responsibility in this is outside of Russia, so I have got to take the question back to other colleagues in the administration and get back to you on it, and talk to my friends at DOE and my own staff to see what we can do about the liability problem.

Senator DOMENICI. It would be done if you solve that problem. Thank you, and thank you, Mr. Chairman.  
[The information follows:]

On March 25 at the hearing on CJS appropriations, you and Secretary Powell discussed the status of the liability issues with Russia and how it affects progress in United States and other G-8 partners' participation in Russia's plutonium disposition program. The Secretary promised to follow-up with you on this matter. This is an interim reply.

State and other interested agencies remain engaged at senior levels on the issues you raised. We will provide a substantive response as soon as those deliberations are completed. We appreciate your strong interest in this issue and this critical initiative.

Senator GREGG. Senator Byrd.

Senator BYRD. Let me thank you again, Mr. Chairman, and Senator Hollings for your patience, and for your many courtesies to me. I am not a member of the subcommittee.

Let me thank you again, Mr. Secretary, for the good work you do. When I came to Congress, we had Secretary Dulles as our Secretary of State. My first trip out of this country was a trip around the world. I remember that in high school I was assigned a book to read, Jules Verne's "Around the World in Eighty Days." We went around the world in 68 days, I believe it was, in an old Constellation. Of course, that would have been called a junket in these days.

We visited Afghanistan, where they went into the town square there, the men wore leggings and looked as though they wore secondhand clothing. The time of day was announced in the town square. There was no warm water in the hotel where we stayed. Mrs.—I am trying to remember the name of the lady from Illinois who was a member of the delegation. There were seven on the delegation, among whom was a member from Minnesota, a former missionary to China. We visited Afghanistan. We also visited Iraq and visited the king of Iraq, as it was at that time. I sometimes think that I would like to go back to Afghanistan and see what changes have been made.

#### ISRAEL FENCE STATUS AND COST AND ISRAEL-PALESTINIAN CONFLICT

While I was in Iraq, I decided to go down to Babylon, the old Biblical city of Babylon, sitting on the banks of the Euphrates River, and my memory carried me back to that chapter in the Bible where Daniel was called in before the king to interpret the handwriting on the wall, mini, mini, tiki, euphrasi. The meaning as Daniel interpreted it, God hath numbered thy Kingdom and finished it. Thou art weighed in the balance and art found wanting. Thy kingdom is divided and given to the Meads and Persians. That night the king was killed, and his dominions were indeed given to the Meads and the Persians.

I marvel at the prophecies that we have heard and read from the Bible, and have seen them come true, and are seeing them come true.

I agree with Richard Clarke's statement, and I paraphrase it, in that the war in Iraq has distracted us from the war against those who attacked us on 9/11 and the war in Afghanistan. I believe that, and believed it before he stated it. I am against that war in Iraq, I was against it, am against it, and will continue to be against it. I made no bones about that. I think that it has been a terrible distraction from our homeland security, our own security of this country. I think that we are lacking, and I think that something terrible will happen again in this country. I think that it is only a matter of time. I believe that these people are patient and that they will come back. I do not think that this country is being made more secure by our being in Iraq. I do not fall for that baloney. I was sold lots of that in my time, having been an old meat cutter, bologna.

I think that the war in Iraq has also been a great distraction from the handling of the Israeli-Palestinian conflict. I think that is where the basic problems have arisen. There has been a lot written in the press about the wall that the Israeli government is building inside the 1967 boundaries. Every country has that right of self-defense. I do not question that right. I am sure that you do not agree with those who criticize the administration for abandoning the Middle East peace process, but for all practical purposes, the Bush road map, which was never really anything more than words on paper, is dead.

The fact is that neither Israelis nor Palestinians have any reason to believe that this administration is going to expend any political capital to move the process forward anytime soon. Real progress was being made before this administration took office, but since that day, the situation has slid steadily backwards and bloodshed has spun out of control. Hundreds, if not thousands, of deaths could have been avoided. This administration's disengagement from the Israeli-Palestinian conflict is a major impediment to what we are trying to do to promote democracy and combat terrorism in the Middle East.

The issue with respect to the wall is where this wall is located. It has already cut off hundreds of thousands of Palestinians from their land, from their neighbors, and even from their family members. Does not this action violate the policy that the location of boundaries should be decided through negotiation, not by unilateral action by the parties? My question would be, what is the administration's position on this? What are we going to do about it?

Secretary POWELL. We have problems with the wall and we have expressed those problems to the Israelis. They are free to protect themselves against the kind of terrorist activities that have so frustrated our peace efforts and frustrated the peace efforts of the previous administration. We have expressed our concern where the wall moves away from what could be seen as something that is clearly Israeli into Palestinian territory, taking into the wall large numbers of Palestinians on their land. There have been adjustments made to the fence, or the wall, as you prefer to call it. We just call it a fence. Adjustments have been made to the fence that

take this into account, and we are continuing to work with the Israelis on this matter.

But it is mostly a fence and not a wall, and for that reason the Israelis do not believe, and they think this with good merit, that it is not necessarily a defining feature that cannot be changed in the future as a result of negotiations between the two sides. A fence can be put up. A fence can be taken down. We have seen that over the past few months where some parts of the fence have already been taken down.

The road map is not dead, and the President did invest considerable political capital in it. He went to Sharmel Sheikh and he went to Akuba last year. That was an investment of his personal prestige, and political energy of this administration. President Clinton invested enormous political capital, only to see it all come crashing down in the last week of his administration because of the intransigence of Yasser Arafat, and the same problem we have faced with Yasser Arafat and his unwillingness to do what should be done, what we believe can be done to bring terror under control.

For this reason, the President put forward of the two states living side by side in peace. He made it clear; called one of them Palestine and the other one Israel and worked toward that end. We tried to get new people into positions of authority in the Palestinian Authority. Prime Minister Abumaz in the last year, we invested in him. We put political capital on him. But he was frustrated by Mr. Arafat's unwillingness to yield any authority over security forces. He stepped down, and now Prime Minister Karai, we are ready to help him. We are working with the Egyptians, we are working with our British colleagues, we are working with the Israelis.

The President said yesterday we were prepared to send another team over. We have had teams going back and forth trying to get some traction, trying to see if we can use the Israelis' recent idea for moving out of Gaza as a way to get this thing going forward, depending on what the Israelis are also planning at the same time with respect to the West Bank at the route of the fence.

So we are not disengaged, Senator Byrd. But perhaps the most difficult portfolio that we have to manage begins and ends with terror. As long as terror continues, as long as the Palestinian leaders and the Palestinian people do not crack down on terror then we are going to continue to have problems getting this peace process moving forward. Israel has a right of self-defense. Israel cannot participate with a partner that has really no leader to that partnership.

Senator HOLLINGS. Would you yield just one second? The MLR, you and I understand that, the main line of resistance to terrorism is Palestine-Israel. General Musharraf just said, look, if you folks can go and settle that, terrorism the world around will disappear. What you need—if I were king for a day, is I would reconstitute you as the general in charge of an international peacekeeping force and move right in between the two.

When you have got Sharon, the Bull Connor of Israel—if you look on page 152 of the Seven Day War and then Prime Minister Levi Eschov turned to Major Ari Sharon when Sharon said, we are going to eliminate Egypt, just like he is trying to eliminate Palestine. He says, Ari, victory in war settles nothing. The Arabs will

still be there. You have got a hardhead. He cannot learn, and we cannot just put our future in his hands. We have got to move in with some kind of international peacekeeping force and get something going. Not maps and talking and every other darn thing. We know what is necessary, separate the two of them. The only object to that is the United States and Israel. The free world is for that. I will bet you on it.

Thank you.

Senator BYRD. Mr. Chairman, may I just close with this thought, with this question? The United States provided \$480 million to Israel in this current fiscal year. How much is Israel spending to build this wall? Since money is fungible and our aid goes to Israel in the form of a big check, can it be said that America is paying for this wall?

Secretary POWELL. Money is fungible, but I cannot give you an answer off the top of my head as to what the wall expenditures are. As you know with respect to loan guarantees, we do dock those loan guarantees in response to Israeli activities with response to settlement activities.

[The information follows:]

This is in response to your March 25 inquiry of Secretary Powell regarding Israeli expenditures on the seam-line fence, and whether U.S. assistance to Israel is being used in that effort.

U.S. assistance to Israel serves multiple purposes—relieving the impact of economic burdens Israel has incurred due to its regional isolation; maintaining Israel's qualitative military edge; preventing regional conflict; and building the confidence necessary for Israel to take calculated risks for peace.

Economic Support Funds (ESF)—\$477 million in fiscal year 2004, with \$360 million requested for fiscal year 2005—may only be used for balance-of-payments support. At the discretion of the Israeli Government, ESF can be used to (a) purchase goods and services from the United States; (b) service debt owed to, or guaranteed by, the U.S. Government; (c) pay to the U.S. Government any subsidies or other costs associated with loans guaranteed by the USG; (d) service Foreign Military Sales debt, both current and refinanced; and (e) finance other uses as agreed upon by both sides. Use of ESF money for military purposes—including the procurement of commodities or services for military purposes—is explicitly ruled out.

Foreign Military Financing (FMF)—\$2.15 billion in fiscal year 2004, with \$2.22 billion requested for fiscal year 2005—represents about 25 percent of the Israeli defense budget and is crucial to Israel's multi-year defense modernization plan. 26.3 percent of this FMF (approximately \$580 million in fiscal year 2004) may be used for Off-Shore Procurement. Most of this amount is spent in Israel, which supports their maintenance of a strong domestic defense industry.

In addition to ESF and FMF, the Emergency Wartime Supplemental Appropriations Act, 2003, authorized \$9 billion in loan guarantees for Israel, to be made available in fiscal years 2003–2005. The Act states that the loan guarantees may be issued only to support activities in the geographic areas that were subject to the administration of the Government of Israel before June 5, 1967. The Act further states that the guarantees shall be reduced by an amount equal to Israeli expenditures (between March 1, 2003, and the date of issue of the guarantee) for activities which the President determines are inconsistent with the objectives and understandings reached between the United States and the Government of Israel regarding the implementation of the loan guarantee program.

Thus, on November 25th, the United States Government announced a deduction of \$289.5 million from the total of \$3 billion in loan guarantees available to Israel in fiscal year 2003. This deduction reflects issues of concern to the United States, including settlement activities and the route of the security fence. As the President has stated clearly and consistently, "Israel should freeze settlement construction, dismantle unauthorized outposts, end the daily humiliation of the Palestinian people, and not prejudice final negotiations with the placements of walls and fences."

As for costs incurred by the GOI in construction of the separation barrier, publicly available estimates are on the order of \$2 million per kilometer. With the Government of Israel having built nearly 200 kilometers of fence so far, total costs are ap-

proximately \$400 million. The planned route of the fence calls for another 400 kilometers to be built, bringing the total, on completion, to approximately \$1.2 billion. These, of course, are only estimates.

I hope that this addresses your concerns. If we can be of assistance in the future on this or any other matter, please do not hesitate to contact us.

Senator HOLLINGS. We need Secretary Powell to go there and say, Mr. Sharon, pull down this wall, just like Reagan. Go ahead and do it. We can stop some terrorism. Iraq has no terrorism. We started it there. We know where the terrorism is and we know the MLR, you and me. You can do it. Thank you.

Senator BYRD. Thank you, Mr. Chairman.

Senator GREGG. Do you want to respond?

Secretary POWELL. Terrorism will emanate from those places, even with an international force there, until such time as the Palestinian leaders decide that it is not serving their interest any more and they stop it.

Senator HOLLINGS. But you do not have any leaders. They are a basket case after 35 years of occupation. Anybody with get up and go has got up and gone.

Secretary POWELL. There are people who claim they are leaders, and there are people who are invested with leadership by the people themselves. They are the ones that are not acting.

Senator HOLLINGS. But if you want a democracy in the Mideast you would have gone to Syria where Lebanon is a sort of 50-50 democracy, get the Syrian army out of Lebanon and then you would solve the Hezbollah and Hamas problem. Not Iraq.

Senator GREGG. I wish we could solve the Israeli-Palestinian issue at this conference table this morning.

Senator HOLLINGS. I think you can. We have got the man to do it.

Senator GREGG. I suspect that even with our unique talents it may be beyond our capacity.

Mr. Secretary, we appreciate your generous commitment of time, especially after all your flying the past few days.

Secretary POWELL. Thank you, Mr. Chairman.

#### CONCLUSION OF HEARINGS

Senator GREGG. If there is nothing further, the subcommittee will stand in recess.

[Whereupon, at 12 noon, Thursday, March 25, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]